B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditor's Report

To the Board of Director of Hexaware Technologies Inc.

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Hexaware Technologies Inc. ("the Company"), which comprise the Balance Sheet as at 31 December 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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 obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Management's and Board of Directors' Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 0[illegible]
★ Chartered Accountants ★

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report *(Continued)*

Hexaware Technologies Inc.

Management's and Board of Directors' Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 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 effectiveness of the internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report *(Continued)*

Hexaware Technologies Inc.

Auditor's Responsibility for the 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 purpose 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 financial statements, including the disclosures, and whether the 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

DeSouza

Jaclyn Desouza
Partner
Membership No: 124629
ICAI UDIN: 23124629BGYTGF2820

Mumbai
08 February 2023

Hexaware Technologies Inc

Balance Sheet as at December 31, 2022

Amount in USD

	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,145,951	810,381
Right-of-use assets	4	4,900,888	4,995,059
Goodwill	5	5,530,161	-
Other intangible assets	7	4,652,009	301,750
Financial assets:			
Investments	8	180,513,881	182,113,881
Other financial assets	10A	85,330	85,330
Deferred tax assets (net)	9	12,597,000	11,720,000
Other non-current assets	11A	7,550,230	131,215
Total non-current assets		**216,975,450**	**200,157,616**
Current assets			
Financial assets:			
Trade receivables			
Billed	12	34,699,842	35,504,655
Unbilled		28,187,071	27,366,263
Cash and cash equivalents	13	19,632,398	21,632,114
Other financial assets	10B	263,666	250,025
Other current assets	11B	6,267,441	3,085,966
Total current assets		**89,050,418**	**87,839,023**
TOTAL ASSETS		**306,025,868**	**287,996,639**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	8,031,657	8,031,657
Other equity		119,343,876	89,324,877
Total equity		**127,375,532**	**97,356,534**
Non-current liabilities			
Financial liabilities:			
Borrowings (unsecured)	15	35,000,000	30,000,000
Lease liabilities		4,950,243	5,265,448
Other financial liabilities	16A	4,319,693	-
Total non-current liabilities		**44,269,936**	**35,265,448**
Current liabilities			
Financial liabilities:			
Borrowings (unsecured)		33,556,594	31,571,061
Lease liabilities		1,435,139	1,435,139
Trade payables	17	50,289,352	77,216,397
Other financial liabilities	16B	25,435,219	22,114,253
Other current liabilities	18	6,554,286	8,214,460
Provisions			
Employee benefit obligations in respect of compensated absences and others		6,183,724	6,145,856
Income tax liabilities (net)		10,926,086	8,677,491
Total current liabilities		**134,380,400**	**155,374,657**
Total liabilities		**178,650,336**	**190,640,105**
TOTAL EQUITY AND LIABILITIES		**306,025,868**	**287,996,639**

The accompanying notes 1 to 34 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number: 101248W/W-100022

Jaclyn Desouza

Partner

Membership number: 124629

Place: Mumbai

Date: Febuary 08 2023

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES INC

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: Febuary 07, 2023

Hexaware Technologies Inc

Statement of Profit and Loss for the year ended December 31, 2022

Amount in USD

	Note	For the Year ended December 31, 2022	For the Year ended December 31, 2021
INCOME			
Revenue from operations	19	461,812,993	370,041,209
Other income	20	1,840,143	1,112,762
TOTAL INCOME		**463,653,136**	**371,153,971**
EXPENSES			
Employee benefits expense	21	224,765,233	201,340,929
Finance costs	23	1,680,582	1,610,917
Depreciation and amortisation expense	4, 6, 7	4,169,597	3,582,525
Operating and other expenses	22	210,645,024	146,904,522
TOTAL EXPENSES		**441,260,436**	**353,438,893**
PROFIT BEFORE TAX		**22,392,700**	**17,715,078**
Tax expense			
Current tax		7,663,000	6,659,662
Deferred tax charge / (credit)		(263,000)	(1,223,429)
Total tax expense		**7,400,000**	**5,436,233**
PROFIT FOR THE YEAR		**14,992,700**	**12,278,845**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of cash flow hedges		-	292,000
Income tax relating to items that will be reclassified to profit or loss		-	(77,467)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		-	**214,533**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**14,992,700**	**12,493,378**
Earnings per equity share:- Basic and diluted	24		
Basic and Diluted		499.31	408.93

The accompanying notes 1 to 34 form an integral part of the financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

DeSouza

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08 2023

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES INC

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

Hexaware Technologies Inc

Statement of Changes In Equity for the year ended December 31, 2022

Amount in USD

	As at	
	December 31, 2022	December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the period	8,031,657	8,031,657
Changes in equity share capital during the period	-	-
Outstanding at the end of the period	8,031,657	8,031,657

B. OTHER EQUITY

	Reserves and surplus					Total equity
	Reserve on merger	Additional paid In capital	Contributed capital on account of share based payment	Retained earnings	Cashflow hedging reserve (CFHR)	
Balance as at January 1, 2022	98,411	142,951	-	103,495,814	-	103,737,176
Profit for the period	-	-	-	14,992,700	-	14,992,700
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive Income	-	-	-	14,992,700	-	14,992,700
Employee stock option compensation cost	-	-	(3,915,073)	-	-	(3,915,073)
Repayment to Holding Company	-	-	3,915,073	-	-	3,915,073
Tax benefit on share based compensation	-	-	-	614,000	-	614,000
Balance as at December 31, 2022	98,411	142,951	-	119,102,514	-	119,343,876
Balance as at January 1, 2021	98,411	142,951	-	75,844,670	(214,533)	75,871,499
Profit for the period	-	-	-	12,278,845	-	12,278,845
Other comprehensive income (net of tax)	-	-	-	-	214,533	214,533
Total comprehensive income	-	-	-	12,278,845	214,533	12,493,378
Employee stock option compensation cost	-	-	2,584,589	-	-	2,584,589
Repayment to Holding Company	-	-	(2,584,589)	-	-	(2,584,589)
Tax benefit on share based compensation	-	-	-	960,000	-	960,000
Balance as at December 31, 2021	98,411	142,951	-	89,083,515	-	89,324,877

Description of component of Other equity

a) Reserve on merger represents reserve transferred in the course of business combination

b) Additional paid In capital is on account on merger of FocusFrame with Company.

c) Contributed capital on account of share based payment represents equity contribution from parent by way of share based payment arrangement. This is repaid to holding company subsequently.

d) Retained earnings comprise of the accumulated undistributed earnings.

e) Cash flow hedge reserve (CFHR) represents cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments. Such gains or losses will be reclassified to statement of profit and loss in the year in which the underlying hedged transaction occurs.

The accompanying notes 1 to 34 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

DeSouza

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08 2023

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES INC

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

Hexaware Technologies Inc

Statement of Cash Flows for the quarter ended December 31, 2022

Amount In USD

	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Cash flow from operating activities		
Profit before tax	22,392,700	17,715,078
Adjustments for:		
Depreciation and amortisation expense	4,169,597	3,582,525
Repurchase of restricted stock units	-	3,832,544
Interest income	(19,744)	(28,470)
Allowance for doubtful debts (net of write back)	270,436	(515,324)
Debts and advances written off	211,797	-
Profit on sale of property, plant and equipment (PPE) (net)	-	5,881
Exchange rate difference (net) - unrealised	2,104,826	851,624
Finance costs	1,680,582	1,610,917
Operating profit before working capital changes	30,810,194	27,054,775
Adjustments for:		
Trade receivables and other assets	(11,985,266)	(620,269)
Trade payables, other liabilities and provisions	(26,339,824)	(24,772,663)
Cash generated from operations	(7,514,897)	1,661,843
Direct taxes paid (net)	8,986,127	(5,812,760)
Net cash generated from operating activities	1,471,230	(4,150,917)
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances	(2,517,833)	(231,015)
Payment for acquisition of business	(2,832,173)	(1,810,500)
Interest received	19,744	28,470
Net cash used in investing activities	(5,330,262)	(2,013,045)
Cash flow from financing activities		
Payment of lease liabilities	(2,155,351)	(1,499,240)
Proceeds from long term borrowing	5,000,000	51,657,037
Repayment of short term borrowing	1,985,534	(29,103,998)
Repurchase of restricted stock units (refer note 31)	-	(3,832,544)
Interest paid	(866,042)	(822,174)
Net cash used in financing activities	3,964,141	16,399,081
Net (decrease) / increase in cash and cash equivalents	105,110	10,235,118
Cash and cash equivalents at the beginning of the year	21,632,114	12,248,620
Exchange difference on translation of foreign currency cash and cash equivalents	(2,104,826)	(851,624)
Cash and cash equivalents at the end of the year (Refer to note 13)	19,632,398	21,632,114

Reconciliation of Borrowings	For the year ended December 31, 2022		For the year ended December 31, 2021	
Particulars	Long Term	Short Term	Long Term	Short Term
Opening Balance	30,000,000	31,571,062	20,000,000	19,018,022
Borrowing made during the year	5,000,000	15,000,000	30,000,000	21,657,038
Borrowing repaid during the year	-	(10,813,527)	(20,000,000)	(9,103,998)
Adjustment on account of currency translation	-	(2,200,939)	-	-
Closing Balance	35,000,000	33,556,596	30,000,000	31,571,062

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 34 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number: 101248W/W-100022

DeSouza

Jaclyn Desouza

Partner

Membership number: 124629

Place: Mumbai

Date: Febuary 08, 2023

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES INC

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: Febuary 07, 2023

1 Corporate Information

Hexaware Technologies Inc ('the Company') is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India ('The Holding Company'). These special purpose financial statements (here after referred to as "the financials statements") have been prepared for the purpose of consolidation with the holding company.

The Company was incorporated in March 1994. The Company provides information technology ("IT") services and solutions to its clients, primarily in the form of professional IT and consulting services.

2 Significant Accounting Policies

2.1 Statement of Compliance

"The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Ind AS financial statements (here after referred to as "the financial statements") have been prepared for the purpose of consolidation with the holding company. These financial has been prepared to assist the Holding Company (Hexaware Technologies Limited) to comply with the requirements of section 129(3) of the Companies Act, 2013."

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Dollars (USD $) which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs/ contract assets are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2 Significant Accounting Policies (*Continued*)

2.3.3 Income-tax

The major tax jurisdictions for the Company is The United State of America though the Company also files tax returns in other overseas jurisdiction. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.4 Others

Others areas involving estimates relates to provision for the doubtful debts and useful lives of property, plant and equipment.

2.4 Revenue recognition

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.

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.

Amount received or billed in advance of services performed are recorded as unearned revenue (Contract liability). Unbilled receivables (Contract assets) represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

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.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2 Significant Accounting Policies (*Continued*)

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

2 Significant Accounting Policies (*Continued*)

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the Statement of Profit and Loss except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.8 Employee benefits

a) **Post-employment benefits and other long term benefit plan**

Company's contribution to defined contribution retirement schemes viz. contribution to the State and Federal pension plans is charged to Statement of Profit and Loss as incurred.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed / encashed within a year and short term medical insurance plan.

2.9 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.10 Taxes on Income

a) Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

b) Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates.

c) Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

d) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

e) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

f) Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

g) Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2 Significant Accounting Policies *(Continued)*

2.11 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of schedule II to the Act.

Asset class	Estimated useful Life
Buildings	60 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	8 years
Vehicles	4 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Intangible assets

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summaries the nature of intangibles and the estimated useful lives.

Asset class	Estimated useful Life
Software licenses	3 years
Customer contracts / relations	2 -7 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.13 Impairment

a) Financial assets (other than at fair value)

The company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 Provisions

Provisions are recognised when the company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2 **Significant Accounting Policies (*Continued*)**

2.15 Non derivative financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment In subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any.

(v) Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.16 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.17 Business Combination

The Company accounts for its business acquisitions using the acquisition method of accounting. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meets the condition of recognition are recognised at their fair values at the acquisition date.

Fair value of purchase consideration in excess of fair value of net assets acquired is recognised as goodwill. If the fair value of identifiable asset and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests proportionate share of acquiree's identifiable net asset. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent change in equity of subsidiaries.

Business Combinations arising from transfer of interest in entities that are under common control are accounted on historical cost basis. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

2.18 Derivative financial instruments and hedge accounting

The Company enters into foreign Interest rate swap contracts to hedge its risks associated with changes in floating interest rates .These instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Company at the inception documents and designates these instruments as cash flow hedges. Accordingly, the Company records the cumulative gain or loss arising from change in fair values on effective cash flow hedges in the CFHR within the other comprehensive income until the underlying transaction occurs. Gain or loss arising from change in fair values of component excluded from the assessment of hedge effectiveness as well as the ineffective portion of the designated hedges and derivative instruments that do not qualify for hedge accounting are recognized immediately in the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, terminated or exercised without replacement or rollover as part of the hedging strategy or when the hedge no longer meets the criteria for hedge accounting, the net cumulative gain or loss recognised in hedging reserve at that time remains in equity and is recognised in profit or loss when the underlying transaction affects profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is immediately transferred to the profit or loss for the year.

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1st, 2022, as below:

1. Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) Issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

2. Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the interim condensed financial statements.

3. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

4. Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability.

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

4 Right-of-use assets

The details of the right-of-use assets held by the Company is as follows:

	Office premises
Cost as at January 1, 2022	7,586,333
Additions	1,561,878
Cost as at December 31, 2022	9,148,211
Accumulated amortisation as at January 1, 2022	2,591,274
Amortisation for the year	1,656,049
Accumulated amortisation as at December 31, 2022	4,247,323
Net carrying amount as at December 31, 2022	4,900,888
Cost as at January 1, 2021	7,535,472
Additions	50,861
Cost as at December 31, 2021	7,586,333
Accumulated amortisation as at January 1, 2021	1,427,197
Amortisation for the year	1,164,077
Accumulated amortisation as at December 31, 2021	2,591,274
Net carrying amount as at December 31, 2021	4,995,059

5 Goodwill

	As at December 31, 2022	As at December 31, 2021
Opening balance	-	-
On acquistion during the period [1]	5,530,161	-
Closing balance	5,530,161	-

Notes

1 Refer note no 32

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

6 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Plant and Machinery [1]	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total
Cost as at January 1, 2022	1,592,950	556,894	-	133,003	1,562,543	3,845,390
Additions	926,244	-	-	-	-	926,244
Cost as at December 31, 2022	**2,519,194**	**556,894**	**-**	**133,003**	**1,562,543**	**4,771,634**
Accumulated depreciation as at January 1, 2022	1,279,221	384,258	-	104,866	1,266,663	3,035,009
Depreciation for the year	397,250	69,584	-	7,833	116,007	590,674
Accumulated depreciation as at December 31, 2022	1,676,472	453,842	-	112,699	1,382,670	3,625,683
Net carrying amount as at December 31, 2022	**842,723**	**103,052**	**-**	**20,304**	**179,873**	**1,145,951**
Cost as at January 1, 2021	2,340,203	701,811	27,912	154,852	1,912,064	5,136,842
Additions	250,755	11,875	-	-	-	262,630
(Disposals)	(998,997)	(156,792)	(27,912)	(21,849)	(349,521)	(1,555,071)
Translation exchange difference	989	-	-	-	-	989
Cost as at December 31, 2021	**1,592,950**	**556,894**	**-**	**133,003**	**1,562,543**	**3,845,390**
Accumalated depreciation as at January 1, 2021	2,102,628	452,776	27,912	116,226	1,457,310	4,156,852
Depreciation for the year	173,120	83,996	-	10,489	158,874	426,479
(Disposals)	(997,391)	(152,513)	(27,912)	(21,849)	(349,521)	(1,549,187)
Translation exchange difference	864	-	-	-	-	864
Accumulated depreciation as at December 31, 2021	**1,279,221**	**384,258**	**-**	**104,866**	**1,266,663**	**3,035,009**
Net carrying amount as at December 31, 2021	**313,729**	**172,635**	**-**	**28,137**	**295,880**	**810,381**

Notes:

1 Plant and machinery includes computer systems.

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

7 Intangible assets consist of the following:

	Software licenses	Customer Contracts / Relations	Total
Cost as at January 1, 2022	1,478,260	3,621,000	5,099,260
Additions (refer note 33)		6,273,133	6,273,133
Disposals			-
Cost as at December 31, 2022	**1,478,260**	**9,894,133**	**11,372,393**
Accumulated amortisation as at January 1, 2022	1,478,260	3,319,250	4,797,510
Amortisation for the year [1]		1,922,874	1,922,874
Disposals			-
Accumulated amortisation as at December 31, 2022	**1,478,260**	**5,242,124**	**6,720,384**
Net carrying amount as at December 31, 2022	-	**4,652,009**	4,652,009
Cost as at January 1, 2021	1,478,260	5,339,550	6,817,810
Additions	-	-	-
Disposals	-	(1,718,550)	(1,718,550)
Cost as at December 31, 2021	**1,478,260**	**3,621,000**	5,099,260
Accumulated amortisation as at January 1, 2021	1,475,806	3,048,284	4,524,090
Amortisation for the year [1]	2,454	1,989,516	1,991,970
Disposals	-	(1,718,550)	(1,718,550)
Accumulated amortisation as at December 31, 2021	**1,478,260**	3,319,250	4,797,510
Net carrying amount as at December 31, 2021	-	301,750	301,750

Notes

1 Amortisation is included in consolidated statement of profit and loss under the line item "Depreciation and amortisation expense".

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14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Amount in USD

8 Investments

Investments – Non-current	**As at December 31, 2022**	**As at December 31, 2021**
Investments in equity instruments of fellow subsidiary (at cost)		
1 Participation share in Hexaware Technologies, Mexico S De RL.De.C.V. at par	274	274
Investments in equity instruments of subsidiary (at cost)		
10,000 shares of USD 0.001 each in Mobiquity Inc.	180,513,607	182,113,607
Total	**180,513,881**	**182,113,881**

9 Deferred tax

Components of deferred taxes : Particulars	January 1, 2022	Recognised in profit or loss	Recognised in equity	December 31, 2022
Deferred tax assets				
Provision for doubtful debts	234,000	71,000		305,000
Provision for employee benefits	7,291,000	(1,379,000)		5,912,000
Share based payments	3,156,000	719,000	614,000	4,489,000
Other provisions	452,000	134,000		586,000
Depreciation and amortisation	587,000	718,000		1,305,000
Net Deferred tax asset	11,720,000	263,000	614,000	12,597,000

Components of deferred taxes : Particulars	January 1, 2021	Recognised in profit or loss	Recognised in equity	December 31, 2021
Deferred tax assets				
Provision for doubtful debts	370,000	(136,000)	-	234,000
Provision for employee benefits	6,559,000	732,000	-	7,291,000
Share based payments	1,972,571	223,429	960,000	3,156,000
Other provisions (lease)	467,000	(15,000)		452,000
Depreciation and amortisation	168,000	419,000	-	587,000
Unrealised loss on CFHR	77,467	-	(77,467)	-
Net Deferred tax asset	9,614,038	1,223,429	882,533	11,720,000

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

10 Other financial assets

A Other financial assets - Non-current

	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others	85,330	85,330
Total	**85,330**	**85,330**

B Other financial assets - Current

	As at December 31, 2022	As at December 31, 2021
Others receivables from related parties	229,431	205,551
Security deposits for premises and others	34,235	44,474
Total	**263,666**	**250,025**

11 Other assets

A Other assets - Non-current

	As at December 31, 2022	As at December 31, 2021
Cost to fulfil contract	7,550,230	131,215
Total	**7,550,230**	**131,215**

B Other assets - Current

	As at December 31, 2022	As at December 31, 2021
Cost to fulfil contract	2,580,985	107,454
Prepaid expenses	2,451,562	1,884,175
Employee advances	278,345	180,682
Contract assets	956,402	817,616
Others	147	96,039
Total	**6,267,441**	**3,085,966**

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12 Trade receivables

A Trade receivables - Current (Unsecured)	As at December 31, 2022	As at December 31, 2021
Considered good	34,699,842	35,504,654
Considered doubtful	1,149,960	879,523
	35,849,802	36,384,177
Less: Allowance for doubtful debts	(1,149,960)	(879,523)
Total	34,699,842	35,504,654

B Trade receivable Ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	More than 3 years	
Trade receivable - Billed							
Undisputed trade receivables – considered good	29,329,180	4,872,482	245961	16064		236,156	34,699,843
Undisputed trade receivables – credit impaired	-	397,199	347,356	346,731	170,451	(111,777)	1,149,960
Undisputed trade receivables – considered good (RPT)	-	-	-	-	-	-	-
							35,849,802
Less - Allowance for Doubtful trade receivable- Billed							(1,149,960)
							34,699,842
Trade Receivables - Unbilled							28187071
							62,886,913

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	More than 3 years	
Trade receivable - Billed							
Undisputed trade receivables – considered good	23,708,363			5726499.5			29,434,862
Undisputed trade receivables – credit impaired		136,636	238,190	173,315	180,721	150,662	879,523
Undisputed trade receivables – considered good (RPT)	6,069,792						6,069,792
							36,384,177
Less - Allowance for Doubtful trade receivable- Billed							(879,523)
							35,504,654
Trade Receivables - Unbilled							27,366,263
							62,870,917

13 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	19,632,398	21,632,114
Total	19,632,398	21,632,114

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

14 Equity

	As at December 31, 2022	As at December 31, 2021
14.1 Authorised capital		
100,000 shares in common stock of no par value		

	As at December 31, 2022	As at December 31, 2021
14.2 Issued, subscribed and paid-up capital		
30,027 shares in common stock of no par value	8,031,657	8,031,657

14.3 There is no movement in share capital during year ended December 31, 2022 and December 31, 2021

14.4 All shares are held by Hexaware Technologies Limited, the holding company.

15 Borrowing

	As at December 31, 2022	As at December 31, 2021
Non Convertible Debenture (Unecured)	35,000,000	30,000,000
Total	**35,000,000**	**30,000,000**

Borrowed from parent company for a period of 3 years at the rate of 1.72%p.a.

16 Other financial liabilities

A Other financial liabilities - Non-current	As at December 31, 2022	As at December 31, 2021
Deferred Consideration towards business acquisition (refer note 32)	4,319,693	-
Total	**4,319,693**	**-**

B Other financial liabilities - Current	As at December 31, 2022	As at December 31, 2021
Interest Accrued	47,031	39,450
Deferred Consideration towards business acquisition (refer note 32)	2,946,384	135,372
Capital creditors	1,904	31,615
Contractual obligation - Customer arrangements	2,038,556	-
Employee liabilities	20,401,344	21,907,817
Total	**25,435,219**	**22,114,253**

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Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

17 Trade payables

A Due of other than micro enterprises and small enterprises	**As at December 31, 2022**	**As at December 31, 2021**
Trade payables	45,450,649	73,919,567
Accrued expenses	4,838,703	3,296,831
Total	50,289,352	77,216,397

B Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	32,321,397	11,482,346	821,021	822,870	3,015	45,450,649
						-
						45,450,649
Accrued expenses	4,838,703					4,838,703
						50,289,352

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	25,556,246	35,102,889	12,368,631	801,798	90,003	73,919,567
						-
						73,919,567
Accrued expenses	3,296,831					3,296,831
						77,216,397

18 Other liabilities

Other liabilities - Current	**As at December 31, 2022**	**As at December 31, 2021**
Unearned revenues	5,023,946	3,490,021
Statutory liabilities	1,530,340	4,724,439
Total	6,554,286	8,214,460

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19 Revenue from operations

Amount in USD

19.1 The disaggregated revenue with the customers by contract type:

	For the year ended	
	December 31, 2022	December 31, 2021
Onsite	343,588,240	319,823,716
Offshore	118,224,752	50,217,493
Total revenue from operations	461,812,993	370,041,209

19.2 The revenue from contracts as per geography is as under:

	For the year ended	
	December 31, 2022	December 31, 2021
America *	408,679,711	325,179,086
Europe	2,895,337	1,487,831
APAC	50,237,946	43,374,292
Total revenue from operations	461,812,993	370,041,209

* is substantially related to operations in United States of America.

19.3 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Contracted price	465,509,460	372,844,033
Reductions towards variable consideration components (discounts, rebate)	(3,696,467)	(2,802,824)
Revenue recognised	461,812,993	370,041,209

19.4 Cost to fulfil contract

The Company recognises contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. The below table discloses the movement in contract fulfilment cost:

	For the year ended	
	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	238,669	444,937
Cost capitalised during the year	10,000,000	-
Amortization during the year	(107,454)	(206,268)
Balance as at the end of the year	10,131,215	238,669

19.5 Changes in Contract liabilities / Unearned revenues are as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Balance at the beginning of the year	3,490,021	2,605,445
Revenue recognised during the year	(3,013,543)	(2,605,445)
Addition during the year	4,547,468	3,490,021
Balance at the end of year	5,023,946	3,490,021

19.6 Contract assets are as follows:

During the year ended December 31, 2022 and December 31, 2021, USD 817,616 and USD 1,370,810 million of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones.

19.7 Transaction price allocated to the remaining performance obligations

Particulars	**As at 31, December 2022**	**As at 31, December 2021**
Within 1 Year	37,540,131	19,320,932
More than 1 Year	16,468,761	8,332,720

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

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Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

20 Other Income	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Interest income	19,744	28,470
Exchange rate difference (net)	1,724,703	919,301
Miscellaneous income	95,696	164,991
Total	1,840,143	1,112,762

21 Employee benefits expense	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Salary and allowances	190,889,588	174,037,036
Contribution to Social security, other funds and benefits	28,619,339	24,255,723
Staff welfare expenses	1,341,234	463,580
Employee stock option compensation cost	3,915,073	2,584,589
Total	224,765,233	201,340,929

22 Operating and other expenses	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Rent & Rates and taxes	361,819	67,488
Travelling and conveyance	10,268,171	6,869,781
Electricity charges	770,991	8,338
Communication expenses	1,331,311	1,243,198
Repairs and maintenance	12,673,046	8,453,719
Printing and stationery	117,932	138,272
Legal and professional fees	939,688	261,831
Advertisement and business promotion	2,906,112	1,863,638
Bank and other charges	73,258	65,619
Insurance charges	255,763	384,209
Sub contracting and other service charges	177,545,971	126,054,733
Debts and advances written off	211,797	-
Allowance for doubtful debts (net of write back)	270,436	(515,324)
Staff recruitment expenses	2,615,182	1,694,902
Miscellaneous expenses	303,546	314,118
Total	210,645,023.69	146,904,522.01

23 Finance costs	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Interest on borrowings	659,409	1,221,677
Interest on Debentures	594,834	-
Interest on lease liabilities	278,268	278,088
Others	148,071	111,152
Total	1,680,582.44	1,610,916.69

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

24 Earnings per share (EPS)

The components of basic and diluted EPS:	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Net profit after tax	14,992,700	12,278,845
Weighted average outstanding equity shares considered for basic EPS	30,027	30,027
Basic and diluted earnings per share (USD)	499.31	408.93

25 Related party disclosures

25.1 Name of Related Parties and description of relationship:

	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP, Cayman Island (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited, Mauritius (control exists) (upto November 10,2021)	Mauritius
CA Magnum Holdings (control exists) (w.e.f. November 11, 2021)	Mauritius
HT Global Holdings B.V. (Significant influence exists) (upto November 10,2021)	Netherlands
Parent company of Hexaware Technologies Inc (control exists)	
Hexaware Technologies Limited	India
Subsidiaries	
Mobiquity Inc.	USA
Mobiquity Velocity Solutions, Inc [(1)]	USA
Mobiquity Velocity Cooperative UA [(1)]	Netherland
Mobiquity BV [(2)]	Netherland
Mobiquity Consulting BV (formerly known as Morgan Clark BV)[(2)]	Netherland
Fellow Subsidiaries	
Hexaware Technologies Canada Limited	Canada
Hexaware Technologies Asia Pacific Pte Ltd.,	Singapore
Hexaware Technologies Gmbh,	Germany
Hexaware Technologies UK Limited.	United Kingdom
Hexaware Technologies, Mexico S. De R.L. De C.V.,	Mexico
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiquity Softech Private Limited	India
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
	China

Key Management Personnel

Mr. R. Srikrishna, Director and Chief Executive Officer of Holding Company

Mr. P. R. Chandrasekar, Director

Mr. Ravi Vaidyanathan, Director

Notes:

1. Subsidiary of Mobiquity Inc.
2. Subsidiary of Mobiquity Velocity Cooperative UA

25 Related party disclosures (*Continued*)

25.2 Transactions during the period

Sr No	Particulars	Name Of Related Party And Nature of relationship	For the Year ended December 31, 2022	For the Year ended December 31, 2021
1	Reimbursement of cost to	**Holding Company**	5,543,706	2,626,585
		Subsidiaries		
		Mobiquity Inc	27,493	-
		Fellow Subsidiaries		
		Hexaware Technologies Mexico S.DE RL. DE C.V	2,719,485	2,650,826
		Hexaware Technologies Canada Ltd	-	6,425
		Hexaware Information Technologies (Shanghai) co. Ltd	810	1,823
2	Employee advances reimbursed to	**Holding Company**	575,908	280,684
3	Receiving of services	**Holding Company**	6,589,166	7,785,177
		Subsidiaries		
		Mobiquity Inc	2,387,340	577,548
		Fellow Subsidiaries		
		Hexaware Technologies Mexico S.DE RL. DE C.V	41,962,324	24,279,512
		Hexaware Technologies Canada Ltd	-	592,154
		Hexaware Information Technologies (Shanghai) co. Ltd	13,504	41,350
		KMP		
		R. Srikrishna	2,553,093	3,906,503
		Ravi Vaidyanathan	682,453	923,991
4	Loan taken	**Fellow Subsidiaries**		
		Hexaware Technologies UK LTD	-	18,232,566
		Subsidiaries		
		Mobiquity Inc	-	2,500,000
5	Subscribe Non Convertible Debentures	**Holding Company**	5,000,000	30,000,000
6	Loan repaid	**Subsidiaries**		
		Mobiquity Inc	-	2,000,000
7	Interest on debenture	Holding Company	594,834	7,167
8	Interest charges	Holding Company	82,529	172,167
		Fellow Subsidiaries		
		Hexaware technologies Gmbh	80,705	73,856
		Hexaware Technologies UK LTD	444,408	264,632
9	Software and Consultancy Income (Rendering of Services)	**Holding Company**	49,946,175	42,757,354
		Subsidiaries		
		Mobiquity Inc	36,852	12,622
10	Recovery of Cost / Advances from	**Holding Company**	-	9,547
		Subsidiaries		
		Mobiquity Inc	-	67,257
		Fellow Subsidiaries		
		Hexaware Technologies UK Limited., UK	-	37,703
		Hexaware Technologies Canada Ltd	13,017	2,500
		Hexaware Technologies Mexico S.DE RL. DE C.V	12,562	15,458

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Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

25 Related party disclosures (*Continued*)

25.3 Closing Balances

Particular	Nature of relationship	As at December 31, 2022	As at December 31, 2021
Trade receivable	**Holding Company**	-	6,069,792
Advances	**Holding Company**	-	1,700
	Fellow Subsidiaries		
	Hexaware Technologies Canada Limited	15,584	2,566
	Hexaware technologies Poland	132,444	132,444
	Hexaware Technologies Mexico S.DE RL. DE C.V	81,334	68,772
Other receivable	**Holding Company**	5,716,428	7,229,445
Investment in equity (refer note 6A & 6B)	**Subsidiaries**		
	Mobiquity Inc	180,513,607	182,113,881
	Fellow Subsidiaries		
	Hexaware Technologies Mexico S.DE RL. DE C.V	274	274
Non convertible debentures	**Holding Company**	35,000,000	30,000,000
Loans payable including Interest accrued	**Subsidiaries**		
	Mobiquity Inc	4,000,000	10,100,000
	Fellow Subsidiaries		
	Hexaware technologies Gmbh	2,878,245	2,973,862
	Hexaware Technologies UK LTD	16,678,350	18,497,198
Trade payable	**Holding Company**	3,052,219	20,485,669
	Subsidiaries		
	Mobiquity Inc	197,918	473,600
	Fellow Subsidiaries		
	Hexaware Technologies Mexico S.DE RL. DE C.V	6,205,261	4,515,660
	Hexaware Technologies UK Limited., UK	40	12
	Hexaware Technologies Canada Ltd	(249)	253
	Hexaware Information Technologies (Shanghai) co. Ltd	-	14,430
Payablet to/ Provision for KMP/ director	**KMP**		
	R. Srikrishna	1,283,875	3,151,961
	Ravi Vaidyanathan	231,423	221,666

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Amount in USD

26 Contingent liabilities

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) US $ 10,609 (Previous year US $ NIL).

27 Employee Benefits:

The Company recognized USD 10,607,299 (Previous Year USD 9,207,408) for pension fund contributions in Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes and the company has no further obligations under such schemes.

28 Income taxes

28 (A) Income tax expense is allocated as follows :

	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense as per the Statement of Profit and Loss	7,400,000	5,436,233
Income tax included in Other Comprehensive Income on :		
Net change in fair value of cash flow hedges	-	77,467
	7,400,000	5,513,700

28 (B) The reconciliation of estimated income tax expense at the US statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before income-tax	22,392,700	17,715,078
Expected tax expense at the enacted tax rate in United States of America 26.53% for December 31, 2022 and 26.53% for December 31, 2021	5,940,783	4,699,810
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax effect of non-deductible expenses	71,732	27,563
Tax benefit items	(540,243)	(1,329,449)
Taxes of earlier years	-	495,844
Others	1,927,728	1,542,466
	7,400,000	5,436,234

The Company is undergoing tax assessment proceedings. Review is primarily towards related party transactions between group companies. The Company has made an application to competent authorities for mutual resolution between US and India under Mutual Agreement Procedure. The Company has made additional tax provision (net) of USD 8.8 Million for the years 2017 to 2021.

Hexaware Technologies Inc

Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in USD

29 Financial Instruments

(i) The carrying value / fair value of financial instruments (other than investment in associate/subsidiary) by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	19,632,398	-	-	-	19,632,398
Trade receivables	34,699,842	-	-	-	34,699,842
Unbilled receivables	28,187,071	-	-	-	28,187,071
Other financial assets	348,996	-	-	-	348,996
Total	**82,868,307**	**-**	**-**	**-**	**82,868,307**
Borrowings	68,556,594	-	-	-	68,556,594
Trade payables	-	-	-	-	-
Lease liabilities	6,385,382	-	-	-	6,385,382
Other financial liabilities	29,754,912	-	-	-	29,754,912
Total	**104,696,889**	**-**	**-**	**-**	**104,696,889**

(ii) The carrying value / fair value of financial instruments (other than investment in associate/subsidiary) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	21,632,114	-	-	-	21,632,114
Trade receivables	35,504,655	-	-	-	35,504,655
Unbilled receivables	27,366,263	-	-	-	27,366,263
Other financial assets	335,355	-	-	-	335,355
Total	**84,838,387**	**-**	**-**	**-**	**84,838,387**
Borrowings	61,571,061	-	-	-	61,571,061
Trade payables	-	-	-	-	-
Lease liabilities	6,700,587	-	-	-	6,700,587
Other financial liabilities	17,530,516	4,583,737	-	-	22,114,253
Total	**85,802,164**	**4,583,737**	**-**	**-**	**90,385,901**

Notes

1. Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, loans, other financial assets, borrowings, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.
2. Investment in fellow subsidiary is measured at fair value through other comprehensive income.

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29 Financial instruments (continued)

(III) Category of financials instrument

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

2 Investment in fellow subsidiary is measured at fair value through other comprehensive income.

(Iv) Fair value hierarchy

Fair value measurements are categorised into Level I, II or III 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 I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level II 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 III 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 as at December 31, 2022:

	Level I	Level II	Level III	Total
Mutual fund units	-	-	-	-
Shared based liabilities	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	-	-
Derivative financial liabilities	-	-	-	-
	-	-	-	-

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2021:

	Level I	Level II	Level III	Total
Mutual fund units	-	-	-	-
Shared based liabilities	-	-	4,583,737	4,583,737
Derivative financial assets	-	-	-	-
	-	-	4,583,737.00	4,583,737.00
Derivative financial liabilities	-	-	-	-
	-	-	-	-

Valuation Technique

Derivatives are measured basis the counterparty quotes obtained. Cost of investments in equity shares is considered to be representative of fair value

(v) Financial risk management

The Company has identified the risks under verticals like geographic and client concentration risk, credit risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

Approximately 63.12% of the revenue of 2022 is generated from top 10 clients (year 2021 ~ 70.84%). Any loss or major downsizing by these clients may impact Company's profitability. Further, excessive exposure to particular clients will limit groups negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of USD 32,738,246 and USD 35,504,654 as at December 31, 2022 and December 31, 2021 respectively and unbilled receivables of USD 28,187,071 and 27,366,263 as at December 31, 2022 and December 31, 2021 respectively.

We have adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No.10 for the age wise analysis of trade receivables that are not due as well as past due and credit impaired.

Top 10 customer dues contribute 44.29 % of the total outstanding as at December 31, 2022 (69.69% as at December 31, 2021)

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies.

29 Financial instruments (continued)

Foreign Currency fluctuations risk

Foreign exchange fluctuations is one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of US Dollar appreciation which is functional currency of the Company vis-a-vis the CAD, the Euro, the GBP and other foreign currencies, as largely, the costs incurred are in US Dollar and the revenue/ inflows are in foreign currencies. The contracts the company enter into with its customers tend to run across several years and many of these contracts are at fixed rates, therefore any changes in the US Dollar vis-à-vis foreign currencies will affect the company's margins.

The following table analyses foreign currency risk from financial instruments as at December 31, 2022

	CAD	EUR	GBP	Others*
Net financial assets	14,646	-	-	554
Net financial liabilities	238	2,745,070	16,680,446	
Net assets/(liabilities)	14,408	(2,745,070)	(16,680,446)	554

The following table analyses foreign currency risk from financial instruments as at December 31, 2021

	CAD	EUR	GBP	Others*
Net financial assets	106,578	73,416	505,847	593
Net financial liabilities	253	70,806	18,497,198	
Net assets/(liabilities)	106,325	2,610	(17,991,351)	593

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company and its subsidiaries would result in the increase/ decrease in Company's profit before tax approximately by USD 1,941,055 and USD 1,788,182 for the year ended December 31, 2022 and December 31, 2021, respectively.

*Others include currencies such as Singapore Dollars, Australian Dollars etc.

Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investment requirements. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by improving its DSO and maintaining high cash / bank balance.

As at December 31, 2022, the Company had cash and cash equivalebts of USD 19,632,398 (as at December 31, 2021 USD 21,632,114) which constitutes approximately 6.34% of our total assets (December 31, 2021 7.39 %).

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease liabilities	2,019,071	2,005,338	2,325,361	35,613	6,385,383
Borrowings	33,556,594	35,000,000	-	-	68,556,594
Trade and other payables	-	-	-	-	-
Other financial liabilities	25,435,219	-	-	-	25,435,219
Total	**61,010,885**	**37,005,338**	**2,325,361**	**35,613**	**100,377,197**

As at December 31, 2021	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease liabilities	1,435,139	2,862,060	2,403,388	-	6,700,587
Borrowings	31,571,061	30,000,000	-	-	61,571,061
Trade and other payables	77,216,400	-	-	-	77,216,400
Other financial liabilities	22,114,254	-	-	-	22,114,254
Total	**132,336,854**	**32,862,060**	**2,403,388**	-	**167,602,301**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates net of derivative contracts entered into by the Company. The balance with banks is in the form of fixed interest rate deposits.

Capital management

The company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares.

30 Segments

As per Ind AS 108 on "Operating Segments", segment reporting information has been provided under the notes to the consolidated financial statements of Hexaware Technologies Limited.

31 Share Based Compensation

a) The Nomination and Remuneration Committee ('Committee') of the Company administers the stock options plans viz. ESOP 2007, 2008 and 2015 plan. Under the plans, the employees of the Company as well as its subsidiaries are granted options/ Restricted Stock Options (RSU) entitling them to one equity share of INR 2/- each for each option granted. Exercise price is the market price of the shares of the Company at the grant date or the price determined by the Committee. During the year, the Company modified the vesting period. The modification did not have material impact. The Options / RSU's vest over a period of 1 to 6 years from the date of grant on the basis of service period and/or achievement of performance conditions. The maximum time available to exercise upon vesting is 6 years.

b) The particulars of number of options granted and lapsed under the aforementioned Schemes are tabulated below

	ESOP - 2015	
Particulars	**RSU's (nos.)**	**Weighted ex. Price per share (INR)**
Outstanding at the beginning of the year	2,535,926	2.00
	(3,279,985)	(2.00)
Granted during year	-	2.00
	(935,980)	(2.00)
Exercised during the year	209,186	2.00
	(768,186)	(2.00)
Lapsed during the year	844,827	2.00
	(911,853)	(2.00)
Outstanding at the year end	1,481,913	2.00
	(2,535,926)	(2.00)
Exercisable as at the year end	1,481,913	2.00
	(642,449)	(2.00)

Previous year figures are given in bracket

c) The weighted average share price of options exercised on the date of exercise was INR 765 per share and INR 475 per share for the year ended December 31, 2022 and December 31, 2021 respectively.

d) Range of exercise price and weighted average remaining contractual life (in months) for the options outstanding:

Range of exercise price	As at 31 December 2022		As at 31 December 2021	
	Options/ RSU's (Nos)	**Life**	**Options/ RSU's (Nos)**	**Life**
2	1,481,913	12	2,535,926	28
Total	**1,481,913**		**2,535,926**	

e) The fair values of the RSU's granted in year 2022 and 2021 are determined using Black Scholes Option pricing model using following assumptions:

Particulars	**Year 2022**	**Year 2021**
Weighted Average fair value (INR)	463.15	463.15
Weighted Average share price (INR)	475.00	475.00
Dividend Yield (%)	1.68	1.68
Expected Life (years)	1.19 - 1.49	1.19 - 1.49
Risk free interest rate (%)	3.75 - 4.24	3.75 - 4.24
Volatility (%)	10.41 - 40.34	10.41 - 40.34

The expected volatility is determined based on historical volatility during a period equivalent to the expected term of RSU granted.

f) During the previous year, the Company modified the aforesaid scheme and provided a one-time option in respect of certain grants for RSU holder to surrender RSU against a cash payment of INR 763/- per RSU ('offer price'). Total of 829,955 RSUs were surrendered by the employees (included under lapsed in table (b) above). Total cash payout / payable by the Company was USD 8,416,281. The modification has been recorded as follows:
Incremental cost recorded in the Profit and Loss in year 2021 of USD 5,864,681 million comprising of fair value on the modification date has been considered as cost of re-purchase of option:
(i) Unamortized cost determined at the grant date fair value
(ii) Excess of offer price of INR 763/- over fair value on date of modification.
The fair value on the date of modification is based on valuers report, taken by the holding company, prepared taking into consideration recent transaction adjusted for estimate for control premium and marketability by reference to public available information.

32 Business combination

Summary of acquisition during the year ended December 31, 2022 is given below:

The Company has acquired customer/ business contracts entered by IQVIA Inc (exclusive service-based consulting organization serving the Life Science and Healthcare Industries) with it's customer. The rationale of the acquisition is to capitalize on the available cross-selling opportunities. The acquisition was consummated on January 12, 2022 for a total consideration of USD 11,803,294

Description	Purchase price allocated
Fair value of customer contracts	2,231,952
Fair value of customer relationship	4,041,181
Total	6,273,133
Goodwill	5,530,161
Total purchase price	11,803,294

The fair value of the deferred consideration is estimated by applying the discounted cash flow approach considering a weighted average discount rate of 12.2%. The undiscounted fair value of deferred consideration is USD 11,773,636 as at the date of acquisition. The discounted fair value of deferred consideration of 8,835,750 is recorded as part of purchase price allocation.

The assumptions used for such valuations are in line with past trends and current contracts / arrangements.
The pro-forma effects of this business combination was not material on the Group's results.

33 Material events after Balance Sheet date

There is no significant event after reporting date which requires adjustments or disclosure to the financial statements.

34 Approval of the financial statements

The financial statements were approved for issue by the Board of Directors on Febuary 07, 2023.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

DeSouza

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08, 2023

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES INC

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

butler+co
CHARTERED ACCOUNTANTS

S Phadke BSc (Econ) FCA
M Desai BSc (Econ) MBA FCA
R Patel BCom ACA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Hexaware Technologies UK Ltd, which comprise the statement of financial position as at 31st December 2022 and the profit and loss accounts, statement of changes in equity and statement of cash flows for the year ended 31st December 2022, and other explanatory information.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 (United Kingdom). Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hexaware Technologies UK Ltd as at 31st December 2022 and its financial performance and its cash flows for the year ended 31st December 2022, in accordance with International Financial Reporting Standards (IFRS).

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126 - 134 Baker Street
London
W1U 6UE

01/02/2023

Hexaware Technologies UK Limited

Registered Office: 126-134 Baker Street, Third Floor, London W1U 6UE

GBP, unless otherwise stated

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	390,130	325,507
Right-of-use assets	5	253,977	350,473
Intangible assets	6	-	-
Financial assets:			
Investments	7	133,515	68,183
Other financial assets	9	196,805	189,286
Total non-current assets		**974,427**	**933,449**
Current assets			
Financial assets:			
Trade receivables			
Billed	11	26,657,777	18,330,377
Unbilled		5,096,463	6,825,944
Cash and cash equivalents	12	17,126,861	4,633,644
Other current assets	10	16,634,965	14,551,134
Total current assets		**65,516,066**	**44,341,099**
TOTAL ASSETS		**66,490,493**	**45,274,548**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,167,000	2,167,000
Other equity		11,989,989	7,890,851
Total equity		**14,156,989**	**10,057,851**
Non-current liabilities			
Financial liabilities:			
Lease liabilities		90,689	298,282
Total non-current liabilities		**90,689**	**298,282**
Current liabilities			
Financial liabilities:			
Lease liabilities		223,274	196,736
Trade payables			
Dues of micro enterprises and small enterprises	15A	-	-
Dues of other than micro enterprises and small enterprises	15B	36,486,529	21,682,265
Other financial liabilities	14	4,731,196	3,661,669
Other current liabilities	16	7,793,504	7,141,067
Provisions			
Employee benefit obligations in respect of compensated absences		2,226,687	1,937,052
Income tax liabilities (net)	8	781,625	299,626
Total current liabilities		**52,242,815**	**34,918,415**
Total liabilities		**52,333,504**	**35,216,697**
TOTAL EQUITY AND LIABILITIES		**66,490,493**	**45,274,548**

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

As per our report of even date attached

For and on behalf of the Board

Amrinder

Amrinder Singh
Director

Place: United Kingdom
Date: February 1, 2023

Butler&CoLLP
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Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	December 31, 2021
INCOME			
Revenue from operations	17	133,543,106	101,338,585
Other income	18	583,636	(634,916)
TOTAL INCOME		**134,126,742**	**100,703,669**
EXPENSES			
Employee benefits expense	19	42,002,933	28,357,559
Finance costs	21	11,003	16,145
Depreciation and amortisation expense	22	314,689	312,550
Operating and other expenses	20	86,732,879	68,268,868
TOTAL EXPENSES		**129,061,504**	**96,955,122**
PROFIT BEFORE TAX		**5,065,238**	**3,748,547**
Tax expense			
Current tax	8A	966,100	855,680
Total tax expense		**966,100**	**855,680**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,099,138**	**2,892,867**
Earnings per equity share:- Basic and diluted (GBP)	23		
Basic		1.89	1.33
Diluted		1.89	1.33

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

As per our report of even date attached

For and on behalf of the Board

Amrinder

Amrinder Singh
Director

Place: United Kingdom
Date: February 1, 2023

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Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL	As at December 31, 2022	As at December 31, 2021
Outstanding at the beginning of the year	2,167,000	2,167,000
Changes in equity share capital during the year	-	-
Outstanding at the end of the year	**2,167,000**	**2,167,000**

B. OTHER EQUITY

	Reserves and surplus		Total equity
	Foreign currency translation reserve	Retained earnings	
Balance as at January 01, 2022	(428)	7,891,279	7,890,851
Profit for the year	-	4,099,138	4,099,138
Balance as at December 31, 2022	**(428)**	**11,990,417**	**11,989,989**
Balance as at January 01, 2021	-	4,998,412	4,998,412
Movement during the year	(428)	-	(428)
Profit for the year	-	2,892,867	2,892,867
Balance as at December 31, 2021	**(428)**	**7,891,279**	**7,890,851**

Retained earnings comprise of the accumulated undistributed earnings.

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

As per our report of even date attached

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place: United Kingdom

Date: February 1, 2023

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GBP, unless otherwise stated	For the year ended	
Statement of Cash Flows for the year ended December 31, 2022	**December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Profit before tax	**5,065,238**	**3,748,547**
Adjustments for:		
Depreciation and amortization expense	314,689	312,550
Interest income	(379,833)	(193,226)
Allowance for doubtful debts (net of write back)	(144,280)	-
Debts and advances written off	44,936	-
Exchange rate difference (net) - unrealised	(63,239)	577,086
Finance costs	11,003	16,145
Operating profit before working capital changes	**4,848,514**	**4,461,102**
Adjustments for:		
Trade receivables and other assets	(8,589,925)	(6,346,900)
Trade payables, other liabilities and provisions	16,815,674	(222,602)
Cash generated from operations	**13,074,263**	**(2,108,400)**
Direct taxes paid (net)	(483,912)	(1,148,953)
Net cash generated from operating activities	**12,590,351**	**(3,257,354)**
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances	(258,042)	(295,892)
Loan given to fellow subsidiary	-	(13,500,000)
Purchase of investments	(65,332)	-
Interest received	379,833	193,226
Net cash (used in) / generated from investing activities	**56,459**	**(13,602,666)**
Cash flow from financing activities		
Payment of lease liabilities	(216,832)	(207,673)
Net cash used in from financing activities	**(216,832)**	**(207,673)**
Net increase in cash and cash equivalents	**12,429,978**	**(17,067,692)**
Cash and cash equivalents at the beginning of the year	4,633,644	22,278,422
Exchange difference on translation of foreign currency cash and cash equivalents	63,239	(577,086)
Cash and cash equivalents at the end of the year (Refer to note 12)	**17,126,861**	**4,633,644**

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

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

As per our report of even date attached

For and on behalf of the Board

Amrinder

Amrinder Singh
Director

Place: United Kingdom
Date: February 1, 2023

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Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies UK Ltd., (HTUK or the Company), incorporated in England and Wales, is a wholly owned subsidiary of Hexaware Technologies Limited, incorporated in India. (Hexaware or the Holding Company). These financial statements have been prepared and audited for the purpose of consolidation with the holding company. The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing and services. The various service offerings comprise application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process, quality assurance and independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Great Britain Pounds (GBP), which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is United Kingdom though the Company also files tax returns in overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

2 Significant Accounting Policies *(Continued)*

2.3.4 Others

Other areas involving estimates relates to provision for the doubtful debts and useful lives of Property Plant and Equipment.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.
The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use ("RoU") asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less (short term leases) and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an rent expense on a straight-line basis over the lease term.

The RoU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

2 Significant Accounting Policies *(Continued)*

2.5 Leases (Continued)

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company has made use of the following practical expedients available while applying Ind AS 116 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognised the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease modification.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign Branches

In respect of the foreign branches, being integral foreign operations, all revenues and expenses (except depreciation) during the year are reported at average rate prevailing during the period. Monetary assets and liabilities are restated at the year-end exchange rate. Non monetary assets and liabilities are stated at the rate prevailing on the date of the transaction. Balance in `head office' account whether debit or credit is translated at the amount of the balance in the `foreign branch' account in the books of the head office. Net gain / loss on foreign currency translation is recognized in the Statement of Profit and Loss.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits and other long term benefit plan

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.9 Share based compensation

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.10 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

Hexaware Technologies UK Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.11 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years
Leasehold Improvements	Over the lease period

Leasehold Improvements are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Intangible assets and amortisation

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.13 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

2 Significant Accounting Policies *(Continued)*

2.15 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

2 Significant Accounting Policies *(Continued)*

2.16 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

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Notes forming part of Financial Statements for the year ended December 31, 2022

4 Property, plant and equipment

	Plant and Machinery [1]	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost as at January 01, 2022	598,324	16,060	15,505	76,900	706,789
Additions	258,042	-	-	-	258,042
(Disposals) / (Adjustments)	(2,533)	-	-	-	(2,533)
Cost as at December 31, 2022	853,833	16,060	15,505	76,900	962,298
Accumulated depreciation as at January 01, 2022	283,956	13,337	7,089	76,900	381,282
Depreciation for the year	189,658	1,048	2,713	-	193,419
(Disposals) / (Adjustments)	(2,533)	-	-	-	(2,533)
Accumulated depreciation as at December 31, 2022	471,081	14,385	9,802	76,900	572,168
Net carrying amount as at December 31, 2022	**382,752**	**1,675**	**5,703**	**-**	**390,130**
Cost as at January 01, 2021	353,514	24,840	19,777	76,900	475,031
Additions	291,463	-	4,429	-	295,892
(Disposals) / (Adjustments)	(46,653)	(8,780)	(8,701)	-	(64,134)
Cost as at December 31, 2021	598,324	16,060	15,505	76,900	706,789
Accumulated depreciation as at January 01, 2021	220,745	21,072	13,419	76,900	332,136
Depreciation for the year	109,864	1,045	2,371	-	113,280
(Disposals) / (Adjustments)	(46,653)	(8,780)	(8,701)	-	(64,134)
Accumulated depreciation as at December 31, 2021	283,956	13,337	7,089	76,900	381,282
Net carrying amount as at December 31, 2021	**314,368**	**2,723**	**8,416**	**-**	**325,507**

Note:

1 Plant and machinery includes computer systems.

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5 Right-of-use assets

	Office premises	Total
Cost as at January 01, 2022	729,977	729,977
Additions	24,773	24,773
Cost as at December 31, 2022	**754,750**	**754,750**
Accumulated amortization as at January 01, 2022	379,503	379,503
Amortisation for the year	121,270	121,270
Accumulated amortization as at December 31, 2022	**500,773**	**500,773**
Net carrying amount as at December 31, 2022	**253,977**	**253,977**
Cost as at January 01, 2021	729,977	729,977
Cost as at December 31, 2021	**729,977**	**729,977**
Accumulated amortization as at January 01, 2021	181,153	181,153
Amortisation for the year	198,350	198,350
Accumulated amortization as at December 31, 2021	**379,503**	**379,503**
Net carrying amount as at December 31, 2021	**350,474**	**350,473**

Interest on lease liabilities is GBP 11,003 and GBP 16,145 for the years ended December 31, 2022 and 2021, respectively.

Payments toward leases of low-value assets and leases with less than twelve months of lease term, are disclosed under operating activities in the statement of cash flows. All other lease payments during the period are disclosed under financing activities in the statement of cash flows.

The maturity analysis of lease liabilities is covered under Note 25 - Financial instruments.

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Notes forming part of Financial Statements for the year ended December 31, 2022

6 Intangible assets

	Software licenses	Total
Cost as at January 01, 2022	-	-
Cost as at December 31, 2022	-	-
Accumulated amortization as at January 01, 2022	-	-
Accumulated amortization as at December 31, 2022	-	-
Net carrying amount as at December 31, 2022	-	-
Cost as at January 01, 2021	50,591	50,591
Disposals	(50,591)	(50,591)
Cost as at December 31, 2021	-	-
Accumulated amortization as at January 01, 2021	49,671	49,671
Amortisation for the year	920	920
Disposals	(50,591)	(50,591)
Accumulated amortization as at December 31, 2021	-	-
Net carrying amount as at December 31, 2021	-	-

Notes

Amortisation is included under the line item “Depreciation and amortisation expenses" in the statement of profit and loss.

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Third Floor
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7 Investments

Investments – Non-current	**As at December 31, 2022**	**As at December 31, 2021**
Investment in Subsidiary		
100,000 EQUITY SHARES OF ZAR 10/- EACH FULLY PAID UP, in HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY.LTD, SOUTH AFRICA	48,669	48,669
10,125 EQUITY SHARES OF RON 10/- EACH FULLY PAID UP, in HEXAWARE TECHNOLOGIES ROMANIA SRL., ROMANIA	-	19,514
10,000 EQUITY SHARES of EUR 10/- EACH FULLY PAID UP, in Hexaware Technologies Belgium SRL	84,640	-
33,750 EQUITY SHARES OF ARS 1/- EACH FULLY PAID UP, in HEXAWARE ARGENTINA	206	-
	133,515	**68,183**

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Notes forming part of Financial Statements for the year ended December 31, 2022

8 Income taxes

A Income tax expense is allocated as follows :

	For the year ended	
	December 31, 2022	December 31, 2021
Income tax expense as per the Statement of Profit and Loss	966,100	855,680
	966,100	855,680

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Profit before tax	5,065,238	3,748,547
Expected tax expense at the enacted tax rate of 19% (Previous year 19%) in India	962,395	712,224
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Others	3,705	143,456
	966,100	855,680

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Notes forming part of Financial Statements for the year ended December 31, 2022

9 Other financial assets

Other financial assets – Non-current	As at December 31, 2022	As at December 31, 2021
Restricted bank balances[1]	175,000	175,000
Security deposits for premises and others[2]	21,805	14,286
Total	**196,805**	**189,286**

10 Other assets

Other assets – Current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	298,178	646,618
Contracts assets	2,319,841	-
Employee advances	154,133	210,068
Loan given to related party	13,862,813	13,692,500
Others	-	1,948
Total	**16,634,965**	**14,551,134**

12 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
Remittance in transit	-	163,354
In current accounts with banks	17,126,861	4,470,290
Margin money with banks	175,000	175,000
	17,301,861	**4,808,644**
Less: Restricted bank balances	(175,000)	(175,000)
Total	**17,126,861**	**4,633,644**

Notes

1 Restriction on account of bank deposits held as margin money.

2 Exclude advances given to subsidiary Hexaware Technologies Romania SRL aggregating GBP 1,441,998 and GBP 1,363,048 provided as doubtful of recovery basis the expected credit loss model as of December 31, 2022 and December 31, 2021 respectively.

Hexaware Technologies UK Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

11 Trade receivables

A Trade receivables - Billed - Current (Unsecured)	**As at December 31, 2022**	**As at December 31, 2021**
Considered good	26,657,777	18,330,377
Considered doubtful	221,300	350,142
	26,879,077	**18,680,519**
Less: Allowance for doubtful debts	(221,300)	(350,142)
Total	**26,657,777**	**18,330,377**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	14,213,932	11,318,838	-	-	-	34,445	25,567,215
Undisputed trade receivables – credit impaired	-	-	132,386	(17,560)	30,762	75,712	221,300
Undisputed trade receivables – considered good (RPT)	331,871	586,852	3,437	3,456	164,946	-	1,090,562
	14,545,803	11,905,690	135,823	(14,104)	195,708	110,157	26,879,078
Less - Allowance for Doubtful trade receivable							(221,300)
							26,657,778
Unbilled receivables							5,096,463
							31,754,241

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	12,886,372	4,185,370	-	-	-	-	17,071,742
Undisputed trade receivables – credit impaired	-	5,629	85,566	87,113	49,982	123,342	351,632
Undisputed trade receivables – considered good (RPT)	39,818	39,209	279	(321,057)	253,634	1,245,262	1,257,145
	12,926,190	4,230,208	85,845	(233,944)	303,616	1,368,604	18,680,519
Less - Allowance for Doubtful trade receivable							(350,142)
							18,330,377
Unbilled receivables							6,825,944
							25,156,321

C The activity in the allowance for doubtful debts is given below:	**As at December 31, 2022**	**As at December 31, 2021**
Balance at the beginning of the year	350,142	453,476
Additions during the year, gross	383,295	240,825
Amounts recovered during the year	(512,136)	(344,160)
Balance at the end of the year	**221,300**	**350,142**

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Notes forming part of Financial Statements for the year ended December 31, 2022

13 Equity

		As at December 31, 2022	As at December 31, 2021
13.1	**Authorised capital**		
	11,000,000 EQUITY SHARES OF GBP 1/- EACH	11,000,000	11,000,000

		As at December 31, 2022	As at December 31, 2021
13.2	**Issued, subscribed and paid-up capital**		
	2,167,000 EQUITY SHARES OF GBP 1/- EACH FULLY PAID	2,167,000	2,167,000

		As at December 31, 2022	As at December 31, 2021
13.3	**Reconciliation of number of shares**		
	Shares outstanding at the beginning of the year	2,167,000	2,167,000
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	**2,167,000**	**2,167,000**

13.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of GBP. 1 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.

			As at December 31, 2022	As at December 31, 2021
13.5	**Details of shares held by shareholders holding more than 5% shares**			
	Name of the shareholder			
	Hexaware Technologies Limited, India	No. of shares held	2,167,000	2,167,000
		% of holding	100%	100%

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Notes forming part of Financial Statements for the year ended December 31, 2022

14 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	4,731,196	3,661,669
Total	**4,731,196**	**3,661,669**

15 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	27,218,451	15,221,037
Accrued expenses	9,268,078	6,461,228
Total	**36,486,529**	**21,682,265**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	5,349,698	21,868,153	600	-	-	27,218,451
	5,349,698	21,868,153	600	-	-	27,218,451
Accrued Expenses						9,268,078
						36,486,529

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	257,959	14,892,629	39,492	18,417	12,540	15,221,037
	257,959	14,892,629	39,492	18,417	12,540	15,221,037
Accrued Expenses						6,461,228
						21,682,265

Butler&CoLLP
Third Floor
126-134 Baker Street
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16 Other liabilities

	As at	
	December 31, 2022	**December 31, 2021**
Other liabilities - Current		
Unearned revenues	2,991,224	3,318,979
Statutory liabilities	4,802,280	3,822,088
Total	**7,793,504**	**7,141,067**

17 Revenue

17.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Geography		
UK	127,967,202	100,780,162
USA	5,446,242	-
Others	129,662	558,423
Total	**133,543,106**	**101,338,585**

17.2 Revenue disaggregation by contract type is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Offshore	59,401,694	51,176,629
Onshore	74,141,412	50,161,956
Total revenue from operations	**133,543,106**	**101,338,585**

17.3 Revenue disaggregation by nature of service is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Revenue from contracts with customers	133,543,106	101,338,585
Other operating income	-	-
	133,543,106	**101,338,585**

17.4 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Contracted price	135,082,834	101,748,955
Reductions towards variable consideration components (discounts, rebate)	1,539,728	410,370
Revenue recognised	**133,543,106**	**101,338,585**

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Notes forming part of Financial Statements for the year ended December 31, 2022

17.5 Changes in Contract Liabilities / Unearned revenues are as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Balance as at the beginning of the year	3,318,979	1,951,749
Revenue recognised during the year	(3,318,979)	(1,951,749)
Additions during the year	2,991,224	3,318,979
Balance as at the end of the year	**2,991,224**	**3,318,979**

17.6 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	For the year ended	
	December 31, 2022	**December 31, 2021**
Within 1 year	2,991,224	27,236,932
More than 1 year	351,187	19,180,916

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

18 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Interest income	379,833	193,226
Exchange rate difference (net)	203,803	(828,142)
Total	**583,636**	**(634,916)**

19 Employee benefits expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Salary and allowances	36,838,547	24,971,716
Contribution to Social Security, other funds and benefits	5,024,099	3,207,772
Staff welfare expenses	140,287	178,071
Total	**42,002,933**	**28,357,559**

Butler&CoLLP
Third Floor
126-134 Baker Street
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20 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Rent	172,360	310,983
Rates and taxes	83,782	70,255
Travelling and conveyance	1,994,036	1,088,087
Electricity charges	18,910	9,603
Communication expenses	165,895	134,204
Repairs and maintenance	2,732,069	3,496,486
Printing and stationery	18,470	9,318
Payment to auditors		
Audit fees	34,000	35,350
Legal and professional fees	438,174	356,463
Advertisement and business promotion	1,089,382	771,454
Bank and other charges	70,021	57,515
Insurance charges	139,624	66,225
Sub contracting and other service charges	79,130,848	61,314,144
Debts and advances written off	44,936	5,747
Allowance for doubtful debts (net of write back)	(144,280)	(92,407)
Staff recruitment expenses	567,730	515,054
Provision for impairment in the value of investment	25,293	-
Miscellaneous expenses	151,629	120,387
Total	**86,732,879**	**68,268,868**

21 Finance costs

	For the year ended	
	December 31, 2022	**December 31, 2021**
Interest on lease liabilities	11,003	16,145
Total	**11,003**	**16,145**

22 Depreciation and amortisation expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Depreciation on Property, plant and equipment	193,419	113,280
Amortisation of RoU	121,270	198,350
Amortisation of Intangibles	-	920
Total	**314,689**	**312,550**

Butler&CoLLP
Third Floor
126-134 Baker Street
London W1U 6UE

Tel 020 7436 3343
Fax 020 7935 7616

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

23 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	4,099,138	2,892,867
Weighted average outstanding equity shares considered for basic EPS	2,167,000	2,167,000
Basic earnings per share	1.89	1.33

24 Related party disclosures

A Names of related parties	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited (upto November 10,2021)	Mauritius
HT Global Holdings B.V. - (upto November 10, 2021)	Netherlands
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company (control exists)	
Hexaware Technologies Limited	India
Subsidiaries	
Hexaware Technologies Romania SRL	Romania
Hexaware Technologies South Africa (Pty) Limited	South Africa
Hexaware Technologies Belgium SRL	Belgium
Hexaware Technologies Argentina	Argentina
Fellow Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies GmbH	Germany
Hexaware Technologies Canada Limited	Canada
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Mobiquity Inc	United States of America
Mobiquity B.V.	Netherlands

B Key Management Personnel (KMP)

Director

Mr. Amrinder Singh

Butler&CoLLP
Third Floor
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Fax 020 7935 7616

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

24 Related party disclosures (Continued)

Party wise details for transactions with related parties

Nature of transactions	Name of the Related party and Relationship	For the year ended	
		December 31, 2022	December 31, 2021
Expenditure - Receiving of services	**Holding Company**	47,275,297	38,177,201
	Fellow Subsidiaries		
	Hexaware Technologies Mexico S de RL De CV, Mexico	41,917	112,264
	Mobiquity Inc	52,939	303,929
	Mobiquity B.V.	3,454,101	168,787
	Hexaware Technologies Canada Ltd	-	21,266
	Subsidiaries		
	Hexaware Technologies Argentina	9,865	-
	Key Management Personnel		
	Amrinder Singh	559,251	509,819
Expenditure - Reimbursement of Costs	**Holding Company**	763,483	984,799
	Fellow Subsidiaries		
	Hexaware Technologies Inc	-	27,354
Software and Consultancy Income (Rendering of Services)	**Fellow Subsidiaries**		
	Mobiquity B.V.	631,442	435,403
Interest Income	**Fellow Subsidiaries**		
	Hexaware Technologies Inc	362,813	192,500
Loans given	**Fellow Subsidiaries**		
	Hexaware Technologies Inc	-	13,500,000
Investment in Equity	**Subsidiaries**		
	Hexaware Technologies Argentina	206	-
	Hexaware Technologies Belgium SRL	84,640	-
Recovery of Cost	**Fellow Subsidiaries**		
	Hexaware Technologies Inc	-	11,296
	Subsidiaries		
	Hexaware Technologies Romania SRL	2,579	4,854

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Notes forming part of Financial Statements for the year ended December 31, 2022

24 Related party disclosures (Continued)

Details of balances with related party

Particulars	Nature of relationship	As at December 31, 2022	As at December 31, 2021
Advances	**Holding Company**	504,735	840,294
Loans Receivables	**Subsidiaries**		
	Hexaware Technologies Inc	13,862,813	13,692,500
Trade receivable	**Fellow Subsidiaries**		
	Hexaware Technologies Nordic AB	147,631	260,138
	Mobiquity B.V.	23,841	-
	Subsidiaries		
	Hexaware Technologies Belgium SRL	387,772	-
Trade and other payables towards services and reimbursement of cost	**Holding Company**	29,465,767	14,933,916
	Fellow Subsidiaries		
	Hexaware Technologies Inc	110,094	98,038
	Hexaware Technologies GmbH	-	782,044
	Hexaware Technologies Mexico S de RL De CV, Mexico	19,627	7,567
	Mobiquity Inc.	3,493	303,929
	Mobiquity B.V.	148,471	95,683
Investment in Equity	**Holding Company**		
	Fellow Subsidiaries		
	Subsidiaries		
	Hexaware Technologies Romania SRL, Romania	-	19,514
	Hexaware Technologies South Africa Pty.Ltd	48,669	48,669
	Hexaware Technologies Argentina	206	-
	Hexaware Technologies Belgium SRL	84,640	-

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

25 Financial Instruments

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

(i) The carrying value / fair value of financial instruments (other than investment in subsidiaries) by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	17,126,861	-	-	-	17,126,861
Trade receivables - Billed	26,657,777	-	-	-	26,657,777
Trade receivables - Unbilled	5,096,463	-	-	-	5,096,463
Other financial assets	196,805	-	-	-	196,805
Total	**49,077,906**	**-**	**-**	**-**	**49,077,906**
Trade payables	36,486,529	-	-	-	36,486,529
Lease liabilities	313,963	-	-	-	313,963
Other financial liabilities	4,731,196	-	-	-	4,731,196
Total	**41,531,688**	**-**	**-**	**-**	**41,531,688**

(ii) The carrying value / fair value of financial instruments (other than investment in subsidiaries) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	4,633,644	-	-	-	4,633,644
Trade receivables - Billed	18,330,377	-	-	-	18,330,377
Trade receivables - Unbilled	6,825,944	-	-	-	6,825,944
Other financial assets	189,286	-	-	-	189,286
Total	**29,979,251**	**-**	**-**	**-**	**29,979,251**
Trade payables	21,682,265	-	-	-	21,682,265
Lease liabilities	495,018	-	-	-	495,018
Other financial liabilities	3,661,669	-	-	-	3,661,669
Total	**25,838,952**	**-**	**-**	**-**	**25,838,952**

Notes

1 Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, other financial assets, trade payables, lease liabilities and other financial 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 period presented.

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

25 Financial Instruments (continued)

(iv) Financial risk management

The Company has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by the global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

52% of the revenue for the year is generated from top 10 clients (previous year - 49%). Any loss or major downsizing by these clients may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As the Company adds more clients and grow revenues from the existing clients, it reduces dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with higher margins due to lower associated cost and higher cost predictability.

Credit Risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of GBP 26,638,263 and GBP 18,330,377 as at December 31, 2022 and December 31, 2021 respectively and unbilled revenue of GBP 7,416,304 and GBP 6,825,944 as at December 31, 2022 and December 31, 2021 respectively.

The Company has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer to note 11 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 10 customer dues contribute 41 % of the total outstanding as at December 31, 2022 (49% as at December 31, 2021).

Cash and cash equivalents include deposits with banks.

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

25 Financial Instruments (continued)

Foreign Currency fluctuations Risk

The company's transactions are predominantly in Pound Sterling and incurs foreign currency risk on transactions that are denominated by currency other than Pound Sterling such as USD & Euro. The company do not hedge any currency exposures.

The following table analyses foreign currency risk from financial instruments as at December 31, 2022 & 2021:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2022			
USD	32,910,010	170,990	32,739,020
EUR	13,450,632	88,656	13,361,976
DKK	422,768	-	422,768

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
USD	1,811,313	550,889	1,260,424
EUR	4,210,974	23,788	4,187,186
DKK	2,168,477	-	2,168,477

10% depreciation/appreciation of the respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in the increase/ decrease in Company's profit before tax approximately by GBP 1,690,476 and GBP 761,609 for the year ended December 31, 2022, December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

25 Financial Instruments (continued)

Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance and investments of GBP 17,126,861 (Previous Year: GBP 4,633,644) which constitutes approximately 26% (Previous Year: 10%) of total assets. The Company does not have any debts and thus manages its liquidity mainly through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Lease Liabilities	223,274	90,689	-	-	313,963
Trade and other payables	36,486,529	-	-	-	36,486,529
Others	4,731,196	-	-	-	4,731,196
Total	**41,440,999**	**90,689**	**-**	**-**	**41,531,688**

As at December 31, 2021	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Lease Liabilities	196,736	298,282	-	-	495,018
Trade and other payables	21,682,265	-	-	-	21,682,265
Others	3,661,669	-	-	-	3,661,669
Total	**25,540,670**	**298,282**	**-**	**-**	**25,838,952**

Interest rate risk

The Company does not have any debt. The balances with banks is in the form of fixed interest rate deposits. Accordingly, the Company is not exposed to significant interest rate risk.

Butler&CoLLP
Third Floor
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Notes forming part of Financial Statements for the year ended December 31, 2022

26 Segment reporting

The reportable business segments have been identified taking into account the services offered to customers globally operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by below business. The Group's organization structure reflects the industry segmentation. Following are the business segments:

i) Travel and Transportation (T & T)
ii) Banking and financial services (BFS)
iii) Healthcare and Insurance (H & I)
iv) Hi-Tech Professional services (HTPS)
v) Manufacturing and Consumer (M & C)

Segment results for the year ended December 31, 2022

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	9,524,376	44,625,003	64,841,023	4,514,611	10,038,093	133,543,106
Expenses	(9,181,517)	(43,018,589)	(62,506,871)	(4,352,094)	(9,676,741)	(128,735,812)
Segment profit	342,859	1,606,414	2,334,152	162,517	361,352	4,807,294
Less: Depreciation and amortisation						(314,689)
Add: Exchange rate differences (net)						203,803
Add: Other income						379,833
Less: Finance costs						(11,003)
Profit before tax						**5,065,238**
Less: Tax expense						(966,100)
Profit after tax						**4,099,138**

Segment results for the year ended December 31, 2021

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	10,843,084	28,448,748	52,837,024	3,381,273	5,828,456	101,338,585
Expenses	(10,338,890)	(27,125,905)	(50,380,147)	(3,224,047)	(5,557,438)	(96,626,427)
Segment profit	504,194	1,322,843	2,456,877	157,226	271,018	4,712,158
Less: Depreciation and amortisation						(312,550)
Add: Exchange rate differences (net)						(828,142)
Add: Other income						193,226
Less: Finance costs						(16,145)
Profit before tax						**3,748,547**
Less: Tax expense						(855,680)
Profit after tax						**2,892,867**

Hexaware Technologies UK Limited

GBP, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

27 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	1.25	1.27	0.99
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.02	0.05	0.45
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	19.95	15.10	1.32
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	33.86%	33.59%	1%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	3.29	3.68	0.89
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtful debts)	Average trade payables	3.42	2.85	1.20
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	11.77	12.57	0.94
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.07%	2.85%	8%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	35.08%	35.67%	-2%

28 Other updates

A Employee Benefits

The Company recognized GBP 5,024,099 (Previous Year GBP 3,207,772) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

B Material events after Balance Sheet date:

There is no significant event after reporting date which requires amendments or disclosure to these standalone financial statements.

C Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on February 1, 2023.

RÜDIGER M. KLONK

DIPLOM-KAUFMANN · VEREIDIGTER BUCHPRÜFER · STEUERBERATER

Waldstrasse 4 · 63303 Dreieich
Telefon 06103 / 981101
Telefax 06103 / 981102
rklonk@steuerberatung-klonk.de
www.steuerberatung-klonk.de
Steuernummer 28 836 00318
Postbank Frankfurt am Main
IBAN DE47 5001 0060 0288 2326 04
Volksbank Dreieich e.G.
IBAN DE03 5059 2200 0005 1100 17

Dipl.-Kfm. R. M. Klonk, vBP u. StB · Waldstrasse 4 · 63303 Dreieich

The Board of Directors
Hexaware Technologies GmbH
Mainzer Landstr. 33
60329 Frankfurt am Main

GERMANY

Dreieich, 01st, February, 2023

Review of Financial Statements 2022

Dear Sirs,

I have reviewed the attached financial statements and notes of Hexaware Technologies GmbH for the period ended as of December 31st, 2022, which have been prepared by the company for the purpose of Consolidation of accounts by its Holding Company.

I confirm that the attached financial statements and notes have been prepared from the books and records of Hexaware Technologies GmbH and are in accordance with the statutory accounts of the company as audited by me.

Yours Faithfully

Rüdiger M. Klonk

Rüdiger M. Klonk

Certified Public Auditor

enclosures

Hexa2201

FINANCIAL STATEMENTS

as of December 31st, 2022

Hexaware Technologies GmbH

Frankfurt am Main

HEXAWARE TECHNOLOGIES GMBH

Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

EURO, unless otherwise stated

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	20,822	15,885
Right-of-use assets	5	73,792	147,604
Financial assets:			
Investments	6	-	2,500
Other financial assets	8A	62,906	62,906
Income tax assets (net)		23,238	51,813
Total non-current assets		180,758	280,708
Current assets			
Financial assets:			
Trade receivables			
Billed	10	1,123,715	1,653,987
Unbilled		1,344,133	61,134
Cash and cash equivalents	11	2,862,819	2,656,708
Other financial assets	8B	2,701,562	2,625,000
Other current assets	9	139,164	241,417
Total current assets		8,171,393	7,238,246
TOTAL ASSETS		8,352,151	7,518,954
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	180,900	180,900
Other equity		4,860,099	4,552,537
Total equity		5,040,999	4,733,437
Non-current liabilities			
Financial liabilities:			
Lease liabilities		-	76,081
Total non-current liabilities		-	76,081
Current liabilities			
Financial liabilities:			
Lease liabilities		76,080	74,902
Trade payables			
Dues of micro enterprises and small enterprises	14A	-	-
Dues of other than micro enterprises and small enterprises	14B	1,366,708	806,416
Other financial liabilities	13	1,032,594	1,058,357
Other current liabilities	15	577,396	498,024
Provisions			
Employee benefit obligations in respect of compensated absences		258,374	271,737
Total current liabilities		3,311,152	2,709,436
Total liabilities		3,311,152	2,785,517
TOTAL EQUITY AND LIABILITIES		8,352,151	7,518,954

The accompanying notes 1 to 27 form an integral part of the financial statements.

As per our report of even date attached

Signed for identification

R. Lieb

auditor

1st Feb. 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place: United Kingdom

Date: February 1, 2023

HEXAWARE TECHNOLOGIES GMBH

Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

EURO, unless otherwise stated

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	December 31, 2021
INCOME			
Revenue from operations	16	7,704,741	8,349,510
Other income	17	69,934	62,514
TOTAL INCOME		7,774,675	8,412,024
EXPENSES			
Employee benefits expense	18	4,118,830	3,970,208
Finance costs	20	1,753	2,914
Depreciation and amortisation expense	21	79,724	80,125
Operating and other expenses	19	3,186,806	4,029,840
TOTAL EXPENSES		7,387,113	8,083,087
PROFIT BEFORE TAX		387,562	328,937
Tax expense			
Current tax	7A	80,000	104,000
Total tax expense		80,000	104,000
PROFIT FOR THE YEAR		307,562	224,937
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		307,562	224,937
Earnings per equity share:- Basic and diluted (Rs.)	22		
Basic		85.01	62.17
Diluted		85.01	62.17

The accompanying notes 1 to 27 form an integral part of the financial statements.

As per our report of even date attached

Signed for identification:

R. [signature]

auditor

For and on behalf of the Board

[signature]

Amrinder Singh

Director

Place: United Kingdom

Date: February 1, 2023

HEXAWARE TECHNOLOGIES GMBH

Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

EURO, unless otherwise stated

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL	As at December 31, 2022	As at December 31, 2021
Outstanding at the beginning of the year	180,900	180,900
Changes in equity share capital during the year	-	-
Outstanding at the end of the year	180,900	180,900

B. OTHER EQUITY

	Reserves and surplus	Total equity
	Retained earnings	
Balance as at January 01, 2022	4,552,537	4,552,537
Profit for the year	307,562	307,562
Balance as at December 31, 2022	4,860,099	4,860,099
Balance as at January 01, 2021	4,327,600	4,327,600
Profit for the year	224,937	224,937
Balance as at December 31, 2021	4,552,537	4,552,537

The accompanying notes 1 to 27 form an integral part of the financial statements.

As per our report of even date attached

Signed for identification

R. [signature]

auditor

For and on behalf of the Board

[signature]

Amrinder Singh
Director

Place: United Kingdom
Date: February 1, 2023

HEXAWARE TECHNOLOGIES GMBH

Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

EURO, unless otherwise stated	For the year ended	
Statement of Cash Flows for the year ended December 31, 2022	December 31, 2022	December 31, 2021
Cash flow from operating activities		
Profit before tax	387,562	328,937
Adjustments for:		
Depreciation and amortization expense	79,724	80,125
Interest income	(76,562)	(62,500)
Finance costs	1,753	2,914
Provision for impairment in the value of investment	2,500	-
Operating profit before working capital changes	394,977	349,476
Adjustments for:		
Trade receivables and other assets	(650,474)	4,594,479
Trade payables, other liabilities and provisions	600,538	(2,128,918)
Cash generated from operations	345,041	2,815,037
Direct taxes paid (net)	(51,424)	(80,366)
Net cash generated from operating activities	293,616	2,734,671
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances	(10,849)	(1,307)
Net cash used in investing activities	(10,849)	(1,307)
Cash flow from financing activities		
Payment of lease liabilities	(76,656)	(76,656)
Net cash used in financing activities	(76,656)	(76,656)
Net increase in cash and cash equivalents	206,111	2,656,708
Cash and cash equivalents at the beginning of the year	2,656,708	-
Cash and cash equivalents at the end of the year (Refer to note 11)	2,862,819	2,656,708

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 27 form an integral part of the financial statements.

As per our report of even date attached

Signed for identification:
R. [signature]
auditor

For and on behalf of the Board

[signature]

Amrinder Singh
Director

Place: United Kingdom
Date: February 1, 2023

HEXAWARE TECHNOLOGIES GMBH

Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies GmbH (HT GmbH or the Company), incorporated in 2001 under the laws of Germany, is a wholly owned subsidiary of Hexaware Technologies Limited, India. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

Hexaware Technologies GmbH is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in EURO , which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is Germany . Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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2 Significant Accounting Policies *(Continued)*

2.3.4 Others

Other areas involving estimates relates to provision for the doubtful debts and useful lives of Property Plant and Equipment.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.
The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use ("RoU") asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less (short term leases) and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an rent expense on a straight-line basis over the lease term.

The RoU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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2 Significant Accounting Policies *(Continued)*

2.5 Leases (Continued)

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company has made use of the following practical expedients available while applying Ind AS 116 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognised the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

S. f. i. [illegible]

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

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EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years
Leasehold Improvements	Over the lease period

Leasehold Improvements are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.12 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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2 Significant Accounting Policies *(Continued)*

2.13 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

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Registered Office: Mainzer Landstr. 33, 60329 Frankfurt am Main, Germany

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Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for

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Notes forming part of Financial Statements for the year ended December 31, 2022

4 Property, plant and equipment

	Plant and Machinery 1	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost as at January 01, 2022	13,257	20,000	1,560	-	34,817
Additions	10,849	-	-	-	10,849
Cost as at December 31, 2022	24,106	20,000	1,560	-	45,666
Accumulated depreciation as at January 01, 2022	9,917	7,499	1,516	-	18,932
Depreciation for the year	3,368	2,500	44	-	5,912
Accumulated depreciation as at December 31, 2022	13,285	9,999	1,560	-	24,844
Net carrying amount as at December 31, 2022	10,821	10,001	-	-	20,822
Cost as at January 01, 2021	35,840	20,000	17,972	32,000	105,812
Additions	1,307	-	-	-	1,307
(Disposals) / (Adjustments)	(23,890)	-	(16,412)	(32,000)	(72,302)
Cost as at December 31, 2021	13,257	20,000	1,560	-	34,817
Accumulated depreciation as at January 01, 2021	30,513	5,000	17,408	32,000	84,921
Depreciation for the year	3,294	2,499	520	-	6,313
(Disposals) / (Adjustments)	(23,890)	-	(16,412)	(32,000)	(72,302)
Accumulated depreciation as at December 31, 2021	9,917	7,499	1,516	-	18,932
Net carrying amount as at December 31, 2021	3,340	12,501	44	-	15,885

Note:

1 Plant and machinery includes computer systems.

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EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

5 Right-of-use assets

	Office premises	Total
Cost as at January 01, 2022	295,227	295,227
Cost as at December 31, 2022	**295,227**	**295,227**
Accumulated amortisation as at January 01, 2022	147,623	147,623
Amortisation for the year	73,812	73,812
Accumulated amortisation as at December 31, 2022	**221,435**	**221,435**
Net carrying amount as at December 31, 2022	**73,792**	**73,792**
Cost as at January 01, 2021	295,227	295,227
Cost as at December 31, 2021	**295,227**	**295,227**
Accumulated amortisation as at January 01, 2021	73,811	73,811
Amortisation for the year	73,812	73,812
Accumulated amortisation as at December 31, 2021	**147,623**	**147,623**
Net carrying amount as at December 31, 2021	**147,604**	**147,604**

Interest on lease liabilities is EUR 1,753 and EUR 2,914 for the years ended December 31, 2022 and 2021, respectively.

Payments toward leases of low-value assets and leases with less than twelve months of lease term, are disclosed under operating activities in the statement of cash flows. All other lease payments during the period are disclosed under financing activities in the statement of cash flows.

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HEXAWARE TECHNOLOGIES GMBH

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Notes forming part of Financial Statements for the year ended December 31, 2022

6 Investments

Investments - Non-current	As at	
	December 31, 2022	December 31, 2021
Investment in Subsidiary		
10,125 EQUITY SHARES OF RON 10/- EACH FULLY PAID UP, in HEXAWARE TECHNOLOGIES ROMANIA SRL., ROMANIA	2,500	2,500
Less: Provision on investment	(2,500)	-
	-	2,500

7 Income taxes

A Income tax expense is allocated as follows :

	For the year ended	
	December 31, 2022	December 31, 2021
Income tax expense as per the Statement of Profit and Loss	80,000	104,000
	80,000	104,000

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Profit before tax	387,562	328,937
Expected tax expense at the enacted tax rate of 19% (Previous year 19%) in Germany	73,637	62,498
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Others	6,363	41,502
	80,000	104,000

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HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Other financial assets

A Other financial assets - Non-current

	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others	62,906	62,906
Total	**62,906**	**62,906**

B Other financial assets - Current

	As at December 31, 2022	As at December 31, 2021
Loan to fellow subsidiary	2,500,000	2,500,000
Interest accrued on loan	201,562	125,000
Total	**2,701,562**	**2,625,000**

9 Other assets

Other assets - Current

	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	-	219,599
Employee advances	4,052	21,818
Contracts assets	135,112	-
Total	**139,164**	**241,417**

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HEXAWARE TECHNOLOGIES GMBH

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Notes forming part of Financial Statements for the year ended December 31, 2022

10 Trade receivables

A Trade receivables - Billed - Current (Unsecured)

	As at December 31, 2022	As at December 31, 2021
Considered good	1,123,715	1,653,987
Considered doubtful	73,018	73,018
	1,196,733	1,727,005
Less: Allowance for doubtful debts	(73,018)	(73,018)
Total	1,123,715	1,653,987

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	296,008	741,910	-	-	-	-	1,037,918
Undisputed trade receivables - credit impaired	-	-	-	-	12,486	60,532	73,018
Undisputed trade receivables - considered good (RPT)	-	85,797	-	-	-	-	85,797
	296,008	827,707	-	-	12,486	60,532	1,196,733
Less - Allowance for Doubtful trade receivable							(73,018)
							1,123,715
Unbilled receivables							1,344,133
							2,467,848

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	580,497	140,938	-	-	-	-	721,435
Undisputed trade receivables - credit impaired	-	-	-	12,486	-	60,532	73,018
Undisputed trade receivables - considered good (RPT)	-	829,591	-	39,503	63,458	-	932,552
	580,497	970,529	-	51,989	63,458	60,532	1,727,005
Less - Allowance for Doubtful trade receivable							(73,018)
							1,653,987
Unbilled receivables							61,134
							1,715,121

C The activity in the allowance for doubtful debts is given below:

	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	73,018	73,018
Balance at the end of the year	73,018	73,018

11 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	2,862,819	2,656,708
	2,862,819	2,656,708

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Notes forming part of Financial Statements for the year ended December 31, 2022

12 Equity

	As at December 31, 2022	As at December 31, 2021
12.1 Authorised capital		
3,618 Equity shares of EUR 50/- each	180,900	180,900

	As at December 31, 2022	As at December 31, 2021
12.2 Issued, subscribed and paid-up capital		
3,618 EQUITY SHARES OF EUR 50/- EACH	180,900	180,900

	As at December 31, 2022	As at December 31, 2021
12.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	3,618	3,618
Shares issued during the year	-	-
Shares outstanding at the end of the year	**3,618**	**3,618**

12.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Euro 50 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.

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

Name of the shareholder		As at December 31, 2022	As at December 31, 2021
Hexaware Technologies Limited, India	No. of shares held	3,618	3,618
	% of holding	100%	100%

S.f. i. R. [illegible]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

13 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	1,032,594	1,058,357
Total	**1,032,594**	**1,058,357**

14 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	85,011	453,287
Accrued expenses	1,281,697	353,129
Total	**1,366,708**	**806,416**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	9,532	537	-	24,792	50,150	85,011
	9,532	537	-	24,792	50,150	85,011
Accrued Expenses						1,281,697
						1,366,708

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	351,060	22,345	14,805	58,838	6,239	453,287
	351,060	22,345	14,805	58,838	6,239	453,287
Accrued Expenses						353,129
						806,416

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EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

15 Other liabilities

	As at	
	December 31, 2022	December 31, 2021
Other liabilities - Current		
Unearned revenues	111,766	409,529
Statutory liabilities	465,630	88,495
Total	577,396	498,024

16 Revenue from operations

16.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Geography		
Europe	7,348,555	8,349,510
Rest of World	356,186	-
Total	7,704,741	8,349,510

16.2 Revenue disaggregation by contract type is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Offshore	2,465,011	2,633,894
Onshore	4,987,742	5,497,458
Others	251,988	218,158
Total revenue from operations	7,704,741	8,349,510

16.3 Revenue disaggregation by nature of service is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Revenue from contracts with customers	7,704,741	8,349,510
Other operating income	-	-
	7,704,741	8,349,510

16.4 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Contracted price	7,704,741	8,349,510
Reductions towards variable consideration components (discounts, rebate)	-	-
Revenue recognised	7,704,741	8,349,510

S.f. i. R. [illegible]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

16.5 Changes in Contract Liabilities / Unearned revenues are as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	409,529	140,476
Revenue recognised during the year	(409,529)	(140,476)
Additions during the year	111,766	409,529
Balance as at the end of the year	111,766	409,529

16.6 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	For the year ended	
	December 31, 2022	December 31, 2021
Within 1 year	2,426,007	1,947
More than 1 year	17,125	-

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

17 Other income

	For the year ended	
	December 31, 2022	December 31, 2021
Interest income	76,562	62,500
Exchange rate difference (net)	(6,628)	14
Total	69,934	62,514

18 Employee benefits expense

	For the year ended	
	December 31, 2022	December 31, 2021
Salary and allowances	3,652,903	3,483,317
Contribution to provident, other funds and benefits	455,302	482,823
Staff welfare expenses	10,625	4,068
Total	4,118,830	3,970,208

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HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

19 Operating and other expenses

	For the year ended	
	December 31, 2022	December 31, 2021
Rent	68,422	16,748
Rates and taxes	1,940	6,471
Travelling and conveyance	73,448	34,325
Electricity charges	1,824	678
Communication expenses	15,462	15,916
Repairs and maintenance	670,520	244,187
Printing and stationery	79	147
Payment to auditors		
Audit fees	17,092	19,000
Legal and professional fees	229,744	213,146
Advertisement and business promotion	51,654	4,009
Bank and other charges	3,705	1,787
Insurance charges	4,759	4,429
Sub contracting and other service charges	2,022,194	3,446,759
Staff recruitment expenses	5,625	1,750
Provision for impairment in the value of investment (Refer to note 9)2	2,500	-
Miscellaneous expenses	17,838	20,488
Total	3,186,806	4,029,840

20 Finance costs

	For the year ended	
	December 31, 2022	December 31, 2021
Interest on lease liabilities	1,753	2,914
Total	1,753	2,914

21 Depreciation and amortisation expense

	For the year ended	
	December 31, 2022	December 31, 2021
Depreciation on Property, plant and equipment	5,912	6,313
Amortisation of RoU	73,812	73,812
Total	79,724	80,125

s.f. i. R. [illegible]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

22 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	December 31, 2021
The components of basic and diluted EPS:		
Net profit after tax	307,562	224,937
Weighted average outstanding equity shares	3,618	3,618
Basic earnings per share	85.01	62.17

23 Related party disclosures

A Names of related parties

	Country
Ultimate Holding Company and it's subsidiaries	
The Baring Asia Private Equity Fund V, LP, (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited, (upto November 10,2021)	Mauritius
HT Global Holdings B.V.,- till November 10, 2021	Netherlands
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company	
Hexaware Technologies Limited, (control exists)	India
Fellow Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Limited,	United Kingdom
Hexaware Technologies Romania SRL	Romania
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico

B Key Management Personnel (KMP)

Director

Mr. Amrinder Singh

Mr. Alexander Mueller Herbst

Nature of transactions	Name of the Related party and Relationship	For the year ended	
		December 31, 2022	December 31, 2021
Expenditure - Software and Development Expenses	Holding Company	1,173,641	2,754,330
Income - Software and Development Income	Holding Company	675,634	-
Expenditure - Reimbursement of Costs	Holding Company	21,540	21,378
	Fellow Subsidiaries		
	Hexaware Technologies UK Limited, UK	-	35,788
Loan Charged	Fellow Subsidiaries		
	Hexaware Technologies Inc	76,562	62,500

i.A. R. [signature]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Standalone Financial Statements for the year ended December 31, 2022

23 Related party disclosures (Continued)

Outstanding Balances

Particulars	Nature of relationship	For the year ended	
		December 31, 2022	December 31, 2021
Loans Receivables	**Fellow Subsidiaries** Hexaware Technologies Inc	2,701,562	2,625,000
Trade receivable	**Holding Company**	641,407	932,551
Trade and other payables towards services and reimbursement of cost	**Holding Company**	1,070,364	-
Advance to Key Management Personnel	Alexander Mueller Herbst	-	2,000
Investment in Equity	**Fellow Subsidiaries** Hexaware Technologies Romania SRL, Romania	2,500	2,500

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

24 Financial Instruments

(i) The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,862,819	-	-	-	2,862,819
Trade receivables - Billed	1,123,715	-	-	-	1,123,715
Trade receivables - Unbilled	1,344,133	-	-	-	1,344,133
Other financial assets	2,764,468	-	-	-	2,764,468
Total	8,095,135	-	-	-	8,095,135
Trade payables	1,366,708	-	-	-	1,366,708
Lease liabilities	76,080	-	-	-	76,080
Other financial liabilities	1,032,594	-	-	-	1,032,594
Total	2,475,382	-	-	-	2,475,382

(ii) The carrying value / fair value of financial instruments by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,656,708	-	-	-	2,656,708
Trade receivables - Billed	1,653,987	-	-	-	1,653,987
Trade receivables - Unbilled	61,134	-	-	-	61,134
Other financial assets	2,687,906	-	-	-	2,687,906
Total	7,059,735	-	-	-	7,059,735
Trade payables	806,416	-	-	-	806,416
Lease liabilities	150,983	-	-	-	150,983
Other financial liabilities	1,058,357	-	-	-	1,058,357
Total	2,015,756	-	-	-	2,015,756

Notes

1 Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, other financial assets, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.

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EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

24 Financial Instruments (continued)

(iii) Financial risk management

The Company has identified the risks under verticals like Geographic and client concentration risk, credit risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by the global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

92% of the revenue for the year is generated from top 5 clients (previous year - 96%). Any loss or major downsizing by these clients may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As the Company adds more clients and grow revenues from the existing clients, it reduces dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with higher margins due to lower associated cost and higher cost predictability.

Credit Risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of EUR 1,123,715 and EUR 1,653,987 as at December 31, 2022 and December 31, 2021 respectively and unbilled revenue of EUR 1,479,245 and EUR 61,134 as at December 31, 2022 and December 31, 2021 respectively.

The Company has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer to note 11 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 5 customer dues contribute 95% of the total outstanding as at December 31, 2022 (96% as at December 31, 2021).

Cash and cash equivalents include deposits with banks.

s.f.i. [illegible]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

24 Financial Instruments (continued)

(iv) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance and investments of EUR 2,862,819 (Previous Year: EUR 2,656,708) which constitutes approximately 34% (Previous Year: 35%) of total assets. The Company does not have any debts and thus manages its liquidity mainly through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	76,080	-	-	-	76,080
Trade and other payables	1,366,708	-	-	-	1,366,708
Others	1,032,594	-	-	-	1,032,594
Total	2,475,382	-	-	-	2,475,382

As at December 31, 2021	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	74,902	76,081	-	-	150,983
Trade and other payables	806,416	-	-	-	806,416
Others	1,058,357	-	-	-	1,058,357
Total	1,939,675	76,081	-	-	2,015,756

(v) Interest rate risk

The Company does not have any debt. Accordingly, the Company is not exposed to significant interest rate risk.

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

25 Segment reporting

The reportable business segments have been identified taking into account the services offered to customers globally operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by below business. The Group's organization structure reflects the industry segmentation. Following are the business segments:

i) Travel and Transportation (T & T)
ii) Banking and financial services (BFS)
iii) Healthcare and Insurance (H & I)

Segment results for the year ended December 31, 2022

	T & T	BFS	H & I	Total
Revenue	1,763,277	3,132,748	2,808,716	7,704,741
Expenses	(1,671,939)	(2,970,472)	(2,663,225)	(7,305,636)
Segment profit	91,338	162,276	145,491	399,105
Less: Depreciation and amortisation				(79,724)
Add: Exchange rate differences (net)				(6,628)
Add: Other income				76,562
Less: Finance costs				(1,753)
Profit before tax				**387,562**
Less: Tax expense				(80,000)
Profit after tax				**307,562**

Segment results for the year ended December 31, 2021

	T & T	BFS	H & I	Total
Revenue	1,639,396	2,554,189	4,155,926	8,349,511
Expenses	(1,570,780)	(2,447,285)	(3,981,984)	(8,000,049)
Segment profit	68,616	106,904	173,942	349,462
Less: Depreciation and amortisation				(80,125)
Add: Exchange rate differences (net)				14
Add: Other income				62,500
Less: Finance costs				(2,914)
Profit before tax				**328,937**
Less: Tax expense				(104,000)
Profit after tax				**224,937**

s.f. i. R. [illegible]

HEXAWARE TECHNOLOGIES GMBH

EURO, unless otherwise stated

Notes forming part of Financial Statements for the year ended December 31, 2022

26 Additional Regulatory Information - **Financial ratios**

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	2.47	2.67	0.92
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.02	0.03	0.47
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	5.08	4.02	1.26
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	6.29%	3.78%	66%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	3.98	0.93	4.27
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Average trade payables	3.37	0.30	11.31
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	1.64	1.49	1.10
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.99%	2.69%	48%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	7.61%	6.79%	12%

27 Other updates

A **Employee Benefits**

The Company recognized EUR 455,302 (Previous Year EUR 482,823) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

B **Material events after Balance Sheet date:**

There is no significant event after reporting date which requires amendments or disclosure to these financial statements.

C Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on February 1, 2023.

i.A. R. [illegible]

1/2/23

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD

Hexaware Technologies Asia Pacific Pte Ltd
1 Finlayson Green
#09-01
Singapore 049246

As requested by management, we have audited, for purposes of your holding company's consolidated financial statements of Hexaware Technologies Limited, the accompanying reporting package which comprise the balance sheet as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended 31 December 2022, and related notes and other explanatory information.

Management's Responsibility for the Reporting Package

Management is responsible for the preparation of the reporting package in accordance with the recognition and measurement criteria of the applicable financial reporting framework in Singapore and the disclosure and presentation requirements of the holding company as contained in the reporting package. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the reporting package that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement criteria of the applicable financial reporting framework in Singapore and the disclosure and presentation requirements of the holding company as contained in the reporting package; and making accounting estimates that are reasonable in the circumstances. The reporting package has been prepared solely for the purpose of inclusion in the consolidated financial statements of Hexaware Technologies Limited.

Auditor's Responsibility

Our responsibility is to express an opinion on the reporting package based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the reporting package are free from material misstatement.

137 Telok Ayer Street #05-03, Singapore 068602 | T +65 6536 7475 | F +65 6536 5484 | www.jbspractice.com

Company Registration No.: 201409251H

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD (...CONT'D)

Auditor's Responsibility (...cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the reporting package. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the reporting package in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the reporting package.

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

Opinion

In our opinion, the accompanying reporting package for Hexaware Technologies Asia Pacific Pte Ltd for the year ended 31 December 2022, are prepared, in all material respects, in accordance with the Singapore Financial Reporting Standards.

Restriction on Distribution and Use

The reporting package has been prepared for purposes of providing information to Hexaware Technologies Limited to enable it to prepare the consolidated financial statements of the group. As a result, the reporting package is not a complete set of financial statements of Hexaware Technologies Asia Pacific Pte Ltd in accordance with the Singapore Financial Reporting Standards and is not intended to give a true and fair view of the financial position of Hexaware Technologies Asia Pacific Pte Ltd as of 31 December 2022 and of its financial performance, and its cash flows for the year ended 31 December 2022 in accordance with Singapore Financial Reporting Standards. The reporting package may not be suitable for another purpose. Our report is intended solely for Hexaware Technologies Asia Pacific Pte Ltd and Hexaware Technologies Limited and should not be distributed to or used by parties other than Hexaware Technologies Asia Pacific Pte Ltd and Hexaware Technologies Limited.

JBS Practice PAC

JBS PRACTICE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

31 January 2023

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Company Registration No.: 201409251H

Hexaware Technologies Asia Pacific Pte Ltd

Registered Office: #09-01, One Finlayson Green, 1 Finlayson Green, Singapore-049246

Financial Statements as at December 31, 2022

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JBS Practice PAC
REG.NO. 201409251H

Hexaware Technologies Asia Pacific Pte Ltd

Registered Office: #09-01, One Finlayson Green, 1 Finlayson Green, Singapore-049246

(SGD, except share and per share data, unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	94,439	123,939
Right-of-use assets	4	42,736	247,816
Financial assets:			
Investments	7	18,187	18,187
Other financial assets	9A	215,658	210,826
Total non-current assets		371,020	600,768
Current assets			
Financial assets:			
Trade receivables	11	2,941,451	3,194,613
Unbilled receivables		131,694	463,095
Cash and cash equivalents	12	12,383,383	11,478,019
Other financial assets	9B	10,000	10,000
Other current assets	10	260,106	107,804
Total current assets		15,726,634	15,253,531
TOTAL ASSETS		16,097,654	15,854,299
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	2,000,000	2,000,000
Other equity		9,036,244	8,554,400
Total equity		11,036,244	10,554,400
Non-current liabilities			
Financial liabilities:			
Lease liabilities		-	51,498
Deferred tax liabilities (net)		1,207	1,207
Total non-current liabilities		1,207	52,705
Current liabilities			
Financial liabilities:			
Lease liabilities		51,496	201,015
Trade payables	14	4,062,244	3,990,009
Other financial liabilities	13	223,774	176,044
Other current liabilities	15	537,508	718,818
Provisions			
Employee benefit obligations in respect of compensated absences and others	16	53,790	80,346
Income tax liabilities (net)		131,391	80,962
Total current liabilities		5,060,203	5,247,194
Total liabilities		5,061,410	5,299,899
TOTAL EQUITY AND LIABILITIES		16,097,654	15,854,299

The accompanying notes 1 to 29 form an integral part of financial statements.

As per our report of even date attached

For JBS PRACTICE PAC

Chartered Accountants

JBS Practice PAC

Balasubramaniam Janamanchi

Partner

Place : Singapore

Date : 31st January, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

Registered Office: #09-01, One Finlayson Green, 1 Finlayson Green, Singapore-049246

(SGD, except share and per share data, unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	17	14,589,966	14,545,682
Other income	18	(191,224)	192,199
TOTAL INCOME		**14,398,742**	**14,737,881**
EXPENSES			
Employee benefits expense	19	1,968,486	2,963,264
Finance costs	21	5,671	13,404
Depreciation and amortisation expense	4, 6	236,477	240,860
Other expenses	20	11,616,393	10,748,361
TOTAL EXPENSES		**13,827,027**	**13,965,889**
PROFIT BEFORE TAX		**571,715**	**771,992**
Tax expense			
Current tax	8	89,871	131,238
Deferred tax charge / (credit)		-	-
Total tax expense		**89,871**	**131,238**
PROFIT FOR THE YEAR		**481,844**	**640,754**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**481,844**	**640,754**
Earnings per equity share	22		
Basic and Diluted		0.24	0.32

The accompanying notes 1 to 29 form an integral part of financial statements.
As per our report of even date attached

For JBS PRACTICE PAC
Chartered Accountants

JBS Practice PAC

Balasubramaniam Janamanchi

Partner

Place : Singapore

Date : 31st January, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

Registered Office: #09-01, One Finlayson Green, 1 Finlayson Green, Singapore-049246

(SGD, except share and per share data, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

	As at December 31, 2022	As at December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the year	2,000,000	500,000
Changes in equity share capital during the year	-	1,500,000
Outstanding at the end of the year	**2,000,000**	**2,000,000**

OTHER EQUITY

	Reserves and surplus		Total equity
	General reserve	Retained earnings	
Balance as at January 1, 2022	-	8,554,400	8,554,400
Profit for the year	-	481,844	481,844
Total comprehensive income	-	9,036,244	**9,036,244**
Balance as at December 31, 2022	-	9,036,244	9,036,244
Balance as at January 1, 2021	-	9,413,646	9,413,646
Profit for the year		640,754	640,754
Transfers from Reserves to Share Capital		(1,500,000)	(1,500,000)
Total comprehensive income	-	**8,554,400**	**8,554,400**
Balance as at December 31, 2021	-	**8,554,400**	8,554,400

The accompanying notes 1 to 29 form an integral part of financial statements.

As per our report of even date attached

For JBS PRACTICE PAC

Chartered Accountants

Balasubramaniam Janamanchi

Partner

Place : Singapore

Date : 31st January, 2023

For and on behalf of the Board

Amrinder Singh

Director

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Hexaware Technologies Asia Pacific Pte Ltd

Registered Office: #09-01, One Finlayson Green, 1 Finlayson Green, Singapore-049246

(SGD, except share and per share data, unless otherwise stated)

Statement of Cash Flows for the year ended December 31, 2022

	For the year ended	
	December 31, 2022	December 31, 2021
Cash flow from operating activities		
Profit before tax	571,715	771,992
Adjustments for:		
Depreciation and amortization expense	236,477	240,860
Interest income	-	(7,921)
Allowance for doubtful debts (net of write back)	263,250	-
Exchange rate difference (net) - unrealised	-	(42,413)
Finance costs	5,671	13,404
Operating profit before working capital changes	1,077,113	975,922
Adjustments for:		
Trade receivables and other assets	427,429	1,411,177
Trade payables, other liabilities and provisions	(88,369)	(400,829)
Cash generated from operations	**1,416,173**	**1,986,270**
Direct taxes paid (net)	(302,224)	(383,518)
Net cash generated from operating activities	1,113,949	1,602,752
Cash flow from investing activity		
Purchase of PPE and intangible assets including CWIP and capital advances	(1,897)	(12,526)
Interest received	-	7,921
Net cash used in investing activity	**(1,897)**	**(4,605)**
Cash flow from financing activity		
Payment of lease liabilities	(206,688)	(206,688)
Net cash used in financing activity	**(206,688)**	**(206,688)**
Net increase in cash and cash equivalents	**905,364**	**1,391,459**
Cash and cash equivalents at the beginning of the year	11,478,019	10,044,147
Exchange difference on translation of foreign currency cash and cash equivalents	-	42,413
Cash and cash equivalents at the end of the year	**12,383,383**	**11,478,019**
(Refer to note 12)		

The accompanying notes 1 to 29 form an integral part of financial statements.

As per our report of even date attached

For JBS PRACTICE PAC

Chartered Accountants

JBS Practice PAC

Balasubramaniam Janamanchi

Partner

Place : Singapore

Date : 31st January, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

JBS Practice PAC

1 Company overview

Hexaware Technologies Asia Pacific Pte. Ltd. (HTAPAC or the Company), incorporated in Singapore under the laws of the Singapore Companies Act, is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India (Hexaware or the Holding Company). These accounts have been prepared and audited for the purpose of consolidation with Holding Company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware Technologies Asia Pacific Pte Ltd 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

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Singapore Dollars (S $) which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2 Significant Accounting Policies (Continued)

2.3.2 Income-tax

The major tax jurisdiction for the Company is Singapore though the Company also files tax returns in overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.3.4 Others

Other areas involving estimates relates to actuarial assumptions used to determine the carrying amount of defined benefit obligation, estimation of fair value of share based payment transactions and useful lives of Property Plant and Equipment.

2.4 Revenue recognition

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.

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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2 Significant Accounting Policies (Continued)

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use ("RoU") asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less (short term leases) and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

The RoU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company has made use of the following pratical expedients available while applying IFRS 16 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognized the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease modification.

2 Significant Accounting Policies (Continued)

2.6 Functional and presentation currency

These financial statements are presented in Singapore Dollars, the currency of the primary economic environment in which the Company operates.

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.8 Employee Benefits

Employee benefits are recognised as an expense.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contribtions into separate entities such as the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Company has no further payment onligations once the contributions have been paid.

Employee leave intitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

2.9 Taxes on Income

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax liability is recognised for all taxable temporary differences arising on property, plant and equipment, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2 Significant Accounting Policies (Continued)

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as follows:

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	8 years

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets - Tangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.12 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies (Continued)

2.13 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

2.14 Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.15 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements for the year ended December 31, 2022

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.IFRS 3 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of IFRS 3. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.IAS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.IAS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.IFRS 9 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of IFRS 9 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)
Notes to the Financial Statements for the year ended December 31, 2022

4 Right-of-use assets

The details of the right-of-use assets held by the Company is as follows:

	Office Premises
Cost as at January 1, 2022	614,681
Additions	-
Cost as at December 31, 2022	614,681
Accumulated amortization as at January 1, 2022	366,865
Amortisation for the year	205,080
Accumulated amortization as at December 31, 2022	571,945
Net carrying amount as at December 31, 2022	42,736
Cost as at January 1, 2021	614,681
Additions	-
Cost as at December 31, 2021	614,681
Accumulated amortization as at January 1, 2021	161,784
Amortisation for the year	205,081
Accumulated amortization as at December 31, 2021	366,865
Net carrying amount as at December 31, 2021	247,816

5 Equity Share Capital **SGD**

5.1 Issued, subscribed and paid-up capital

	December 30, 2022 Amount	December 31, 2021 Amount
Equity shares issued at no par value	2,000,000	2,000,000

5.2 There has been no movement in number of shares during the year ended December 31st, 2022 and December 31st, 2021.

5.3 The Company has been a wholly owned subsidiary of Hexaware Technologies Limited since incorporation.

5.4 There were no shares allotted as fully paid up by way of bonus shares during five years preceding December 31st, 2022.

5.5 Rights, preferences and restrictions attached to equity shares:
- The Company only has one class of equity shares which is ordinary shares. Each shareholder is eligible for one vote per share held.

- 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.

6 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Plant and machinery	Furniture and fixtures	Office equipment	Total
Cost as at January 1, 2022	422,704	154,121	275,286	852,111
Additions	1,897	-	-	1,897
Disposals / adjustments	(40,613)	(52,505)	(246,482)	(339,600)
Cost as at December 31, 2022	383,988	101,616	28,804	514,408
Accumulated depreciation as at January 1, 2022	323,865	147,242	257,065	728,172
Depreciation for the period	21,457	4,277	5,663	31,397
(Disposals)	(33,488)	(59,630)	(246,482)	(339,600)
Accumulated depreciation as at December 31, 2022	311,834	91,889	16,246	419,969
Net carrying amount as at December 31, 2022	**72,154**	**9,727**	**12,558**	**94,439**

Cost as at January 1, 2021	410,178	154,121	275,286	839,585
Additions	12,526	-	-	12,526
Cost as at December 31, 2021	422,704	154,121	275,286	852,111
Accumulated depreciation as at January 1, 2021	301,502	140,492	250,398	692,392
Depreciation for the year	22,363	6,750	6,667	35,780
(Disposals)	-	-	-	-
Accumulated depreciation as at December 31, 2021	323,865	147,242	257,065	728,172
Net carrying amount as at December 31, 2021	98,839	6,879	18,221	123,939

Note:
1 Plant and machinery includes computer systems.

Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)
Notes to the Financial Statements for the year ended December 31, 2022

7 Investments

Non current Investments in equity shares (unquoted)	As at December 31, 2022	As at December 31, 2021
Investments in equity instruments of fellow subsidiaries - At fair value through Other Comprehensive Income		
5,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	18,187	18,187
	18,187	18,187

8 Income tax

8.1 Income tax

	As at December 31, 2022	As at December 31, 2021
Income tax expense is allocated as follows :		
Income tax expense as per the Statement of Profit and Loss	89,871	131,238
	89,871	131,238

8.2 The reconciliation of estimated income tax expense at the Singapore statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	As at December 31, 2022	As at December 31, 2021
Profit before income-tax	571,715	771,992
Expected tax expense at the enacted tax rate of 17% in Singapore	97,192	131,239
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Non deductible items	(767)	(37,927)
Tax rebate and exemption	(17,425)	(17,425)
Others	10,871	55,351
	89,871	131,238

Current income tax expense comprises of taxes on income from operations in Singapore. Where the income tax year is different from the accounting year, provision of current tax is made on the basis of income for the respective accountint year, which will be adjusted considering the total assessable income for the tax year.

9 Other financial assets

A Other financial assets - Non-current

	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others	54,314	53,022
Restricted bank balances	161,344	157,804
Total	215,658	210,826

B Other financial assets - Current

	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others	10,000	10,000
Total	10,000	10,000

10 Other assets

Other assets - Current

	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	19,067	12,839
Employee advances	3,684	11,557
Contracts assets	153,947	-
Others	83,408	83,408
Total	260,106	107,804

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11 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2022	As at December 31, 2021
Considered good	2,941,451	3,194,613
Considered doubtful	330,343	67,093
	3,271,794	3,261,706
Less: Allowance for doubtful debts	(330,343)	(67,093)
Total	2,941,451	3,194,613

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,850,657	1,090,794	-	-	-	-	2,941,451
Undisputed trade receivables - with significant increase in credit risk	-	166,078	98,240	31,565	34,460	-	330,343
	1,850,657	1,256,872	98,240	31,565	34,460	-	3,271,794
Less - Allowance for Doubtful trade receivable							330,343
							2,941,451
Unbilled receivables							131,694

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,613,650	1,580,964	-				3,194,613
Undisputed trade receivables - with significant increase in credit risk	-	-	31,987	35,106	-	-	67,093
	1,613,650	1,580,964	31,987	35,106	-	-	3,261,706
Less - Allowance for Doubtful trade receivable							67,093
							3,194,613
Unbilled receivables							463,095

C The activity in the allowance for doubtful debts is given below:

	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	67,093	3,053
Expense for the year	263,250	64,040
Balance at the end of the year	330,343	67,093

12 Cash and bank balances

Cash and cash equivalents

	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	12,383,383	11,478,019
Margin money with banks	161,344	157,804
	12,544,727	**11,635,823**
Less: Restricted bank balances	(161,344)	(157,804)
Total	12,383,383	11,478,019

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13 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	223,774	176,044
Total	223,774	176,044

14 Trade payables

	As at December 31, 2022	As at December 31, 2021
Trade payables	1,173,164	1,815,103
Accrued expenses	2,889,080	2,174,906
Total	4,062,244	3,990,009

Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	980,200	6,823	200	-	-	987,223
Disputed Dues - Others	-	-	-	-	185,941	185,941
	980,200	6,823	200	-	185,941	1,173,164
Accrued Expenses						2,889,080
						4,062,244

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	1,628,962	200	-	-	-	1,629,162
Disputed Dues - Others	-	-	-	-	185,941	185,941
	1,628,962	200	-	-	185,941	1,815,103
Accrued Expenses						2,174,906
						3,990,009

15 Other liabilities

	As at December 31, 2022	As at December 31, 2021
Other liabilities - Current		
Unearned revenues	429,482	579,805
Statutory liabilities	108,026	139,013
Total	537,508	718,818

16 Provisions

	As at December 31, 2022	As at December 31, 2021
Provisions - Current		
Employee benefit obligations in respect of compensated absences and others	53,790	80,346
Total	53,790	80,346

17 Revenue

17.1 Disaggregated revenue with the customers by contract type:

	For the year ended December 31, 2022	December 31, 2021
Offshore	46%	46%
Onshore	54%	54%
Total revenue from operations	**100%**	**100%**

17.2 The revenue from contracts as per geography for the year ended 30 September 2022 is as under:

	For the year ended December 31, 2022	December 31, 2021
APAC	14,479,447	14,014,921
Europe	110,519	518,497
Rest of the world	-	12,264
	14,589,966	14,545,682

17.3 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended December 31, 2022	December 31, 2021
Contracted price	14,589,966	14,545,682
Revenue recognised	14,589,966	14,545,682

17.4 Changes in Contract Liabilities / Unearned revenues are as follows:

	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	579,805	316,679
Revenue recognised during the year	(579,805)	(316,679)
Additions during the year	429,482	579,805
Balance as at the end of the year	**429,482**	**579,805**

17.5 Changes in Contract Liabilities / Unearned revenues are as follows:

Particulars	December 31, 2022	December 31, 2021
Within 1 year	537,687	2,988,176
More than 1 year	40,291	1,664,116

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Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)
Notes to the Financial Statements for the year ended December 31, 2022

18 Other income

	For the year ended	
	December 31, 2022	December 31, 2021
Gains / (losses) (net) on redemption / sale of investments	-	116,418
Interest income	-	7,921
Exchange rate difference (net)	(191,224)	64,568
Miscellaneous income	-	3,292
Total	(191,224)	192,199

19 Employee benefits expense

	For the year ended	
	December 31, 2022	December 31, 2021
Salary and allowances	1,890,959	2,818,959
Contribution to provident, other funds and benefits	73,966	121,985
Staff welfare expenses	3,561	22,320
Total	1,968,486	2,963,264

20 Other expenses

	For the year ended	
	December 31, 2022	December 31, 2021
Rates and taxes	156	376
Travelling and conveyance	39,349	26,249
Electricity charges	10,299	10,901
Communication expenses	14,647	27,226
Repairs and maintenance	3,436,903	3,108,690
Printing and stationery	2,255	3,094
Payment to auditors	52,781	51,708
Legal and professional fees	8,574	10,823
Advertisement and business promotion	9,225	9,556
Bank and other charges	11,593	13,736
Directors' sitting fees	5,495	8,755
Insurance charges	30,120	51,782
Sub contracting and other service charges	7,716,358	7,373,686
Allowance for doubtful debts (net of write back)	263,250	64,040
Staff recruitment expenses	12,009	25,316
Miscellaneous expenses	3,379	(37,577)
Total	11,616,393	10,748,361

21 Finance costs

	For the year ended	
	December 31, 2022	December 31, 2021
Interest on lease liabilities	5,671	13,404
Total	5,671	13,404

JBS Practice PAC

Hexaware Technologies Asia Pacific Pte Ltd

(SGD, except share and per share data, unless otherwise stated)
Notes to the Financial Statements for the year ended December 31, 2022

22 Earnings per share (EPS)

	For the year ended December 31, 2022	For the year ended December 31, 2021
The components of basic and diluted EPS:		
Net profit after tax	481,844	640,754
Weighted average outstanding equity shares considered for basic EPS (Nos.)	2,000,000	2,000,000
Basic earnings per share	0.24	0.32

23 Related party disclosures

23.1 Names of related parties

Names of related parties	Country
Ultimate Holding Company and it's subsidiaries	
CA Magnum Holdings (w.e.f. November 11, 2021)	Cayman Island
Holding Company	
Hexaware Technologies Limited, India	India
Fellow Subsidiries	
Hexaware Technologies Canada Limited.	Canada
Hexaware Information Technologies (Shanghai) Company Limited	China

B Key Management Personnel (KMP)

Director
Mr. Amalesh Mishra

23.2 Nature of Transaction

		For the year ended December 31, 2022	For the year ended December 31, 2021
1)	**Expenditure**		
A	Holding Company		
	Receiving of services	6,855,898	6,748,936
B	Fellow Subsidiary		
	Hexaware Information Technologies (Shanghai) Co. Ltd	-	17,059
	Hexaware Technologies Canada Limited	-	9,344
2)	**Recovery of cost / advances during the year**		
A	Holding Company	-	11,557
B	Fellow Subsidiary		
	Hexaware Information Technologies (Shanghai) Co. Ltd	-	10,687

23.3 Closing balance

		As at December 31, 2022	As at December 31, 2021
1)	Trade Payables		
	Hexaware Technologies Limited	450,295	827,723
2)	Investment in equity instruments		
	Fellow Subsidiary	18,187	18,187
3)	Provisions		
	Hexaware Technologies Limited	583,650	388,771

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24 Financial Instruments

A Category of financials instrument

1 All financial instruments (except investment in fellow subsidiary) are measured at amortised cost. Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, trade and other payables, other financial assets and liabilities approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of, unbilled revenue and other financial assets subsequently measured at amortised cost is not significant in each of the years presented.

2 Investment in fellow subsidiary is measured at fair value through other comprehensive income.

B 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 observed and the significance of the inputs to the fair value measurements in its entirely, 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

Fair value of Investments in fellow subsidiary is categorised into Level 3

C Valuation technique

Cost of investment in fellow subsidiary is considered to be representative of fair value.

24.1 The carrying value / fair value of financial instruments (other than investment in subsidiaries) by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	12,383,383	-	-	-	12,383,383
Trade receivables	2,941,451	-	-	-	2,941,451
Unbilled receivables	131,694	-	-	-	131,694
Other financial assets	225,658	-	-	-	225,658
Total	**15,682,186**	-	-	-	**15,682,186**
Trade payables	4,062,244	-	-	-	4,062,244
Lease liabilities	51,496	-	-	-	51,496
Other financial liabilities	223,774	-	-	-	223,774
Total	**4,337,514**	-	-	-	**4,337,514**

24.2 The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	11,478,019	-	-	-	11,478,019
Trade receivables	3,194,613	-	-	-	3,194,613
Unbilled receivables	463,095	-	-	-	463,095
Other financial assets	220,826	-	-	-	220,826
Total	**15,356,553**	-	-	-	**15,356,553**
Trade payables	3,990,009	-	-	-	3,990,009
Lease liabilities	252,513	-	-	-	252,513
Other financial liabilities	176,044	-	-	-	176,044
Total	**4,418,566**	-	-	-	**4,418,566**

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24 Financial Instruments (Cont'd)

24.3 Financial risk management

The Company has identified the risks under verticals like client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and CFO, after consultation with all business units, functions and department heads.

Client concentration risk

94% of the revenue of 2022 is generated from top 10 clients. Any loss or major downsizing by these clients may impact Company's profitibality. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Companys growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

Credit risk

Since most of our transactions are done in credit we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of SGD 2,941,951 and SGD 3,194,613 as at December 31, 2022, December 31, 2021 respectively and unbilled revenue of SGD 131,964, SGD 463,095, as at December 31, 2022, December 31, 2021 respectively.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 11 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables

Top 10 customer dues (including unbilled revenue) contribute 82.51% of the total outstanding as at December 31, 2022 (82.51% as at December 31, 2021).

Cash and cash equivalents and mutul funds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies. The investment in liquid mutual fund units are measured at fair value through profit and loss.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations is one of the key risks impacting our business. The Companys transactions are predominantly SGD and incurs foreign currency risk on transactions that are denominated by currency other than SGD such as USD, EUR, HKD etc. The Company do not hedgeany currency exposures.

The Foreign Exchange Risk Management Policy authorized by the Forex Committee of the Board takes these circumstances into account and authorizes hedging on a systematic basis. These risks have been effectively addressed by the processes and controls laid out in the Foreign Exchange Risk Management Policy. The hedge ratio assigned to the exposures depends on the time horizon in which they fall, the near term exposures get a higher ratio whereas the farther exposures get a lower ratio. This graded approach ensures that hedges are spread across the hedge horizon in a tapered down manner. The exposure as indicated below is net of derivative contracts entered into by the Company.

Curr: SGD

The following table analyses foreign currency risk from financial instruments as at December 31, 2022:

	USD	EUR	HKD	GBP	CAD
Net financial assets	6,205,136	-	-	90,813	-
Net financial liabilities	137,757	-	-	-	-
Net assets/(liabilities)	6,067,379	-	-	90,813	-

The following table analyses foreign currency risk from financial instruments as at December 31, 2021:

	USD	EUR	HKD	GBP	AUD
Net financial assets	8,563,439	-	134,750	117,676	-
Net financial liabilities	423,730	-	-	11,440	-
Net assets/(liabilities)	8,139,709	-	134,750	106,236	-

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company would result in the increase/ decrease in Company's profit before tax approximately by SGD 828,744 and SGD 1,119,816 for the year ended December 31, 2022 and December 31, 2021, respectively.

24 Financial Instruments (Cont'd)

24.4 Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by improving its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance of SGD 12,383,383 which constitutes 76% of our total assets. The Company does not have any debt.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

Curr: SGD

As at December 31, 2022	Less than 1 year	1 to 3 years	Total
Lease Liabilty	51,496	-	51,496
Trade payables	4,062,244	-	4,062,244
Others (Refer note 13)	223,774	-	223,774
Total	4,337,514	-	4,337,514

As at December 31, 2021	Less than 1 year	1 to 3 years	Total
Lease Liabilty	201,015	-	201,015
Trade payables	3,990,009	-	3,990,009
Others (Refer note 13)	176,044	-	176,044
Total	4,367,068	-	4,367,068

Interest rate risk

The Company does not have any debt. The balances with banks and financial institution is in the form of fixed interest rate deposits. Hence the Company is not significantly exposed to interest rate risk.

25 The Company recognized SGD 73,966/- (Previous Year SGD 121,985/-) for Pension contribution in the statement of profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

26 Segment disclosures

26.1 The reportable business segments have been identified taking into account the services offered to customers operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the company's performance and allocates resources based on analysis of various performance indicators by below business. The Company's organization structure reflects the industry segmentation. Following are the business segments:

i) Travel and Transportation (T & T)
ii) Banking and financial services (BFS)
iii) Insurance and healthcare (H & I)
iv) Manufacturing, Consumer and Others (MC&O)
v) Professional Services Group (PS)

The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments.

The Company has identified business segment as the primary segment. Business segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational and the internal reporting systems.

26 Segment disclosures (Cont'd)

The Company has identified business segment as the primary segment. Business segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational and the internal reporting systems.

Revenues and expenses directly attributable to segments are reported under each reportable business 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 used in company's business are 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.

26.2 Segment reporting

26.2.1 Segment reporting for year ended 31st Dec 2022. **Curr: SGD**

Primary Segment: Business segments						
Particulars	**T & T**	**BFS**	**H & I**	**M C & O**	**PS**	**Total**
Segment Revenue	**2,540,942**	**825,334**	**1,431,845**	**6,847,691**	**2,934,629**	**14,580,441**
Segment Results -Profit /(loss)	**155,893**	**65,812**	**86,894**	**458,877**	**231,940**	**999,416**
Exchange Rate difference (net)						-
Depreciation and amortisation expense						(236,477)
Add:Other income						(191,224)
Profit Before Tax						**571,715**
Less:Tax for the year						89,871
Profit After Tax						**481,844**

26.2.2 Segment reporting for year ended 31st Dec 2021.

Primary Segment: Business segments						
Particulars	**T & T**	**BFS**	**H & I**	**M C & O**	**PS**	**Total**
Segment Revenue	**3,508,659**	**772,754**	**1,815,430**	**6,100,624**	**2,348,215**	**14,545,682**
Segment Results -Profit /(loss)	**216,309**	**77,337**	**84,721**	**359,669**	**82,617**	**820,653**
Exchange Rate difference (net)						-
Depreciation and amortisation expense						(240,860)
Add : Other income						192,199
Profit before tax						**771,992**
Less : Tax for the year						131,238
Profit for the year						**640,754**

26.3 Customer Information

Customer accounting for revenue in excess of 10% of revenue

	Segment	Year Ended	
		December 31, 2022	**December 31, 2021**
Customer A	M C & O	5,585,573	4,992,051
Customer B	ProSG	2,623,087	1,882,525
Customer C	T & T	1,813,246	1,611,033

26.4 Company operates mainly in local markets and in the opinion of the management, it has only one reportable geographical segment, the results of which are disclosed in FS

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27 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	3.11	2.91	7%
Debt-equity ratio (in times)1	Debt including and lease liabilities	Total Equity	0.00	0.02	-80%
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	4%	5%	-5%
Trade receivables turnover ratio (in times)[2]	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	4.34	3.33	30%
Trade payables turnover ratio (in times)[3]	Other operating expenses (net of doubtfull debts)	Average trade payables	2.82	3.72	-24%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	1.41	1.83	-23%
Net profit ratio (in %)	Profit for the year	Revenue from operations	3%	4%	-25%
Return on capital employed (in %)4	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	5%	7%	-28%

[1] Decrease in Lease libility

[2] Increase in revenue from operations and increased collections

[3] Increase in subcontracting costs

[4] Increase in subcontracting costs has reduced profit

28 The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act,2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

29 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

Place : Singapore
Date : 31st January, 2023

To the Directors of
Hexaware Technologies México, S. De R.L de C.V.
Av. San Angel #240 Piso 3 D-A
Col. Valle San Agustin, C.P.25215
Saltillo, Coahuila, México

February 2nd, 2023

Dear Sirs,

We have audited the attached accounts and notes of Hexaware Technologies México, S. de R.L. de C.V. for the quarter ended December 31st, 2022 which have been prepared by the company for the purpose of attachment to the accounts of its Holding company.

We confirm that the attached accounts have been prepared by the company taking as a reference the information from the books and records of the same and are in accordance with the statutory accounts of Hexaware Technologies México, S. de R.L. de C.V. as audited by us according to IAS (International Audited Standards).

JFZ Consulting Firm, S.C.
Member of International Association of Practicing Accountants
Member of Leading Edge Alliance

C.P.C. Javier Fuentes Zambrano
Monterrey, México
February 2nd, 2023

JFZ Consulting Firm S.C.

+52 (81) 2282-5656
www.JFZ.mx / www.BuenContador.com
5 de Mayo #1416-Pte., Centro, 64000, Monterrey, Nuevo León.
Monterrey, N.L. / Ciudad de México, CDMX / Saltillo, Coah. / Monclova, Coah. / Chihuahua, Chih.

JFZ CONSULTING FIRM, S.C
CONTADORES PUBLICOS Y AUDITORES

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

Balance Sheet			**MXN**
		As at	
	Note No.	**December 31, 2022**	**December 31, 2021**
ASSETS			
Non-current assets			
Property, plant and equipment	4	37,406,716	28,715,637
Right-of-use assets	3	33,900,750	29,104,107
Other financial assets	6	10,224,865	7,787,291
Deferred tax assets (net)	5	23,840,017	15,948,323
Income tax assets (net)		83,128,931	66,761,318
Total non-current assets		**188,501,279**	**148,316,676**
Current assets			
Financial assets:			
Trade receivables	8	189,734,298	116,954,073
Unbilled receivables		38,926,209	22,469,837
Cash and cash equivalents	9	50,310,321	27,643,787
Other current assets	7	22,352,412	19,281,508
Total current assets		**301,323,240**	**186,349,205**
TOTAL ASSETS		**489,824,519**	**334,665,881**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	8,087,502	8,087,502
Other equity		285,804,177	200,070,315
Total equity		**293,891,679**	**208,157,817**
Non-current liabilities			
Financial liabilities:			
Lease liabilities		22,847,693	18,315,355
Provisions	14A	4,031,188	12,940,162
Total non-current liabilities		**26,878,881**	**31,255,517**
Current liabilities			
Financial liabilities:			
Lease liabilities		13,642,085	13,491,935
Trade payables			
Dues of other than micro enterprises and small enterprises	12	15,510,624	12,685,020
Other financial liabilities	11	46,247,432	30,862,193
Other current liabilities	13	53,386,035	26,851,185
Provisions	14B	40,267,783	11,362,214
Income tax liabilities (net)		-	-
Total current liabilities		**169,053,959**	**95,252,547**
Total liabilities		**195,932,840**	**126,508,064**
TOTAL EQUITY AND LIABILITIES		**489,824,519**	**334,665,881**

The accompanying notes 1 to 28 form an integral part of the financial statements.
As per our report of even date attached

For JFZ Consulting Firm, S.C	**For and on behalf of the Board**
Chartered Accountants	
C.P.C. Javier Fuentes Zambrano	**Kalpesh Bhatt**
Partner	**Director**
Place: Monterrey, N.L. Mexico	Place: New Jersey
Date: February 2nd, 2023	Date: Feb 2, 2023

JFZ CONSULTING FIRM, S.C
CONTADORES PUBLICOS Y AUDITORES

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

Statement of Profit And Loss MXN

	Note No.	For the year ended December 31, 2022	December 31, 2021
INCOME			
Revenue from operations	15	1,148,091,911	688,964,130
Other income	16	(5,983,008)	(1,206,557)
TOTAL INCOME		**1,142,108,903**	**687,757,573**
EXPENSES			
Employee benefits expense	17	807,227,367	378,413,234
Finance costs	19	1,882,702	1,408,552
Depreciation and amortisation expense	3 & 4	45,762,273	26,620,409
Other expenses	18	159,322,802	207,681,916
TOTAL EXPENSES		**1,014,195,144**	**614,124,111**
PROFIT BEFORE TAX		**127,913,759**	**73,633,462**
Tax expense			
Current tax		50,071,591	29,737,374
Deferred tax charge / (credit)		(7,891,694)	(9,649,313)
Total tax expense		**42,179,897**	**20,088,061**
PROFIT FOR THE YEAR		**85,733,862**	**53,545,401**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**85,733,862**	**53,545,401**
Basic Earnings per equity share (In MXN)	20		
Basic & Diluted Earning Per share		42,866,931	26,772,700

The accompanying notes 1 to 28 form an integral part of the financial statements.
As per our report of even date attached

For JFZ Consulting Firm, S.C
Chartered Accountants

C.P.C. Javier Fuentes Zambrano
Partner
Place: Monterrey, N.L. Mexico
Date: February 2nd, 2023

For and on behalf of the Board

Kalpesh Bhatt
Director
Place: New Jersey
Date: 02/02/2023

JFZ CONSULTING FIRM, S.C
CONTADORES PUBLICOS Y AUDITORES

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

Statement of Changes in Equity MXN

	As at December 31, 2022	As at December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the year	8,087,502	8,087,502
Changes in equity share capital during the year	-	-
Outstanding at the end of the year	**8,087,502**	**8,087,502**

OTHER EQUITY

	Reserves and surplus		Total equity
	General reserve	Retained earnings	
Balance as at January 1, 2022	2,574,705	197,495,610	200,070,315
Profit of the year	-	85,733,862	85,733,862
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income	**2,574,705**	**283,229,472**	**285,804,177**
Dividend	-	-	-
Transfer to Special Economic Zone re-investment reserve	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-
Received / transferred on exercise of stock options	-	-	-
Reversal of repurchase of restricted stock units [3]	-	-	-
Compensation related to employee share based payments	-	-	-
Balance as at December 31, 2022	**2,574,705**	**283,229,472**	**285,804,177**
Balance as at January 1, 2021	2,574,705	143,950,209	146,524,914
Profit of the year		53,545,401	53,545,401
Total comprehensive income	**2,574,705**	**197,495,610**	**200,070,315**
Balance as at December 31, 2021	**2,574,705**	**197,495,610**	**200,070,315**

For JFZ Consulting Firm, S.C
Chartered Accountants

C.P.C. Javier Fuentes Zambrano
Partner
Place: Monterrey, N.L. Mexico
Date: February 2nd, 2023

For and on behalf of the Board

Kalpesh Bhatt
Director
Place: New Jersey
Date: 02/02/2023

JFZ CONSULTING FIRM. S.C
CONTADORES PUBLICOS Y AUDITORES

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

Statement of Cash Flows

	For the year ended December 31, 2022	For the year ended December 31, 2021
		MXN
Cash flow from operating activities		
Profit before tax	**127,913,759**	**73,633,462**
Adjustments for:		
Depreciation and amortization expense	45,762,273	26,620,409
Profit on sale of property, plant and equipment (PPE) (net)	68,384	42,880
Exchange rate difference (net) - unrealised	1,485,611	(414,935)
Finance costs	1,882,702	1,408,552
Operating profit before working capital changes	**177,112,729**	**101,290,368**
Adjustments for:		
Trade receivables and other assets	(94,745,075)	(44,326,673)
Trade payables, other liabilities and provisions	67,294,526	41,343,156
Cash generated from operations	**149,662,180**	**98,306,851**
Direct taxes paid (net)	(66,439,204)	(66,198,178)
Net cash generated from operating activities	**83,222,976**	**32,108,673**
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances		
Proceeds from sale of property, plant and equipment	(28,587,224)	(22,359,637)
Purchase of investments		
Proceeds from sale / redemption of investments	150,152	111,322
Net cash generated / (used in) from investing activities	**(28,437,072)**	**(22,248,315)**
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	-	
Payment of lease liabilities	(30,633,759)	(17,129,835)
Interest paid		
Dividend paid		
Net cash used in from financing activities	**(30,633,759)**	**(17,129,835)**
Net increase in cash and cash equivalents	**24,152,145**	**(7,269,477)**
Cash and cash equivalents at the beginning of the year	27,643,787	34,498,328
Exchange difference on translation of foreign currency cash and cash equivalents	(1,485,611)	414,935
Cash and cash equivalents at the end of the Year (Refer to note 9)	**50,310,321**	**27,643,787**

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 28 form an integral part of the financial statements.
As per our report of even date attached

For JFZ Consulting Firm, S.C
Chartered Accountants

C.P.C. Javier Fuentes Zambrano
Partner

Place: Monterrey, N.L. Mexico
Date: February 2nd, 2023

For and on behalf of the Board

Kalpesh Bhatt
Director

Place: New Jersey
Date: 02/02/2023

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

Notes forming part of the Financial Statements MXN

1 Company Overview

Hexaware Technologies Mexico S de RL de CV (the Company), incorporated in Mexico on 8th May 2007, is a wholly owned subsidiary of Hexaware Technologies Limited a foreign corporation incorporated in India. These accounts have been prepared and audited for the purpose of consolidation, with the holding company.
The Company is in the business of automated testing of enterprise resource planning and customized software applications. Their business involves systems verification, quality strategy, information technology governance solutions and various functional, performance and system stress verification exercises and Business Processing Services. The Company is also a provider of business technology optimization consulting services.

2 Significant Accounting Policies

2.1 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Mexican Pesos (MXN) which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on

2.2.1 Critical accounting

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.2.2 Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.2.3 Others

Others areas involving estimates relates to provision for the doubtful debts, and useful lives of Property, plant & equipment.

2.3 Revenue Recognition

Effective January 1, 2019, the company has applied IFRS 15 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. IFRS 15 replaces IAS 18Revenue and IAS 11 Construction Contracts. The company has adopted IFRS 15 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under IFRS 15 and IFRS 15. 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 (Contract liability). Unbilled receivables (Contract assets) 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.

Contract assets are recognised when there is excess of revenue recognized over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required (only act of invoicing is pending), as per contractual terms.

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.

2.3.1 Income-tax

The tax jurisdiction for the Company is Mexico. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.4 Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on w hich it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for w hich the underlying asset is of low value. The lease payments associated w ith these leases are recognized as an rent expense on a straight-line basis over the lease term

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment w henever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrow ing rate. For leases w ith reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrow ing rate specific to the lease or the incremental borrow ing rate for the portfolio as a w hole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option w here the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease w ith reference to the right-of-use asset arising from the head lease, not w ith reference to the underlying asset. If a head lease is a short term lease to w hich the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.5 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.6 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plans**

In accordance with Mexican Labour law, the Company provides seniority premium benefits to its employees under certain circumstances. These benefits consist of a one-time payment equivalent to 12 days wages for each year of service (at the employees most recent salary but not to exceed twice the legal minimum wage) payable to all employee´s with 15 or more years of services, as well as to certain employees terminated involuntary prior to the vesting of their seniority premium benefit. The Company also provides statutorily mandated severance benefits to its employees terminated under certain circumstances. Such benefits consist of a one-time payment of three months wages plus 20 days´ wages for each year of service payable upon involuntary termination without just cause. Provisions for such benefits are charged to Statement of Profit and Loss.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year.

2.8 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax assets and liabilities are not recognised when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.9 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as follows:

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.10 Intangible assets and amortisation

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software Licences	3 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Impairment of assets other than goodwill

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.12 Provisions and contingent liability

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.13 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets and financial liabilities

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Share capital

Equity shares

Incremental costs directly attributable to the issue of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.14 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.15 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1st, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the interim condensed financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

MXN

Notes forming part of the Financial Statements

3 Right-of-use assets

The details of the right-of-use assets held by the Company is as follows:

	Leasehold land	Total
Cost as at January 1, 2022	55,159,727	55,159,727
Additions	33,283,395	33,283,395
Remeasurement	-	-
Cost as at December 31, 2022	**88,443,122**	**88,443,122**
Accumulated amortization as at January 1, 2022	26,055,620	26,055,620
Amortisation for the year	28,486,752	28,486,752
Remeasurement	-	-
Accumulated amortization as at December 31, 2022	**54,542,372**	**54,542,372**
Net carrying amount as at December 31, 2022	**33,900,750**	**33,900,750**
Cost as at January 1, 2021	40,123,186	40,123,186
Additions	15,036,541	15,036,541
Cost as at December 31, 2021	**55,159,727**	**55,159,727**
Accumulated amortization as at January 1, 2021	10,030,799	10,030,799
Amortisation for the year	16,024,821	16,024,821
Accumulated amortization as at December 31, 2021	**26,055,620**	**26,055,620**
Net carrying amount as at December 31, 2021	**29,104,107**	**29,104,107**

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

4 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Plant and machinery	Furniture and fixtures	Office equipment	Leasehold improvements	Total
Cost as at January 1, 2022	61,823,405	13,370,953	8,656,551	17,741,564	101,592,473
Additions	23,558,612	489,523	201,628	1,785,223	26,034,986
Capitalised				-	-
(Disposals)	(7,534,622)			-	(7,534,622)
Translation exchange difference	-	-	-	-	-
Cost as at December 31, 2022	77,847,395	13,860,476	8,858,179	19,526,787	120,092,837
Accumulated depreciation as at January 1, 2022	38,698,600	10,453,892	6,388,388	17,335,956	72,876,836
Depreciation for the year	14,544,251	1,029,012	714,002	988,258	17,275,523
(Disposals)	(7,466,238)	-	-	-	(7,466,238)
Translation exchange difference	-	-	-	-	-
Accumulated depreciation as at December 31, 2022	45,776,613	11,482,904	7,102,390	18,324,214	82,686,121
Net carrying amount as at December 31, 2022	**32,070,782**	**2,377,572**	**1,755,789**	**1,202,573**	**37,406,716**
Cost as at January 1, 2021	38,931,240	12,805,624	7,764,915	17,409,364	76,911,143
Additions	23,089,060	565,329	891,636	332,200	24,878,225
Capitalised	-	-	-	-	-
(Disposals)	(196,895)			-	(196,895)
Translation exchange difference	-	-	-	-	-
Cost as at December 31, 2021	61,823,405	13,370,953	8,656,551	17,741,564	101,592,473
Accumulated depreciation as at December 31, 2020	-	-	-	-	-
Transition impact of Ind AS 116[2]	-	-	-	-	-
Accumulated depreciation as at January 1, 2021	29,914,152	9,536,223	5,811,560	17,056,182	62,318,117
Depreciation for the year	8,827,141	917,669	576,828	279,774	10,601,412
(Disposals)	(42,693)	-	-	-	(42,693)
Translation exchange difference	-	-	-	-	-
Accumulated depreciation as at December 31, 2021	38,698,600	10,453,892	6,388,388	17,335,956	72,876,836
Net carrying amount as at December 31, 2021	23,124,805	2,917,061	2,268,163	405,608	28,715,637

Note:

1 Plant and machinery includes computer systems.

MXN

Notes forming part of the Financial Statements

5 5.1 The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is

	For year ended DECEMBER 31, 2022	For year ended DECEMBER 31, 2021
Profit before income-tax	127,913,759	73,633,462
Expected tax expense at the enacted tax rate of 30% in Mexico	38,374,128	22,090,039
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax effect of non-deductible expenses	775,783	352,757
Short (Excess) provision of taxes of earlier years	(874,213)	(3,040,185)
Others	3,904,199	685,451
	42,179,897	20,088,061

5.2 Components of deferred taxes:

	January 1, 2021	Recognised in Profit or Loss	December 31, 2021	Recognised in profit or loss	December 31, 2022
Deferred tax assets					
Employee benefit obligations	6,621,650	12,085,625	18,707,275	7,767,273	26,474,548
Depreciation And Amortization	938,350	402,142	1,340,492	75,614	1,416,106
Others	537,010	(278,843)	258,167	(84,279)	173,888
Total	8,097,010	12,208,924	20,305,934	7,758,608	28,064,542
Deferred tax liabilities					
Others	1,798,000	2,559,611	4,357,611	(133,086)	4,224,525
Depreciation					
Total	1,798,000	2,559,611	4,357,611	(133,086)	4,224,525
Net deferred tax asset	6,299,010	9,649,313	15,948,323	7,891,694	23,840,017

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

6 Other financial assets

Other financial assets – Non-current	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others[1]	10,224,865	7,787,291
Total	**10,224,865**	**7,787,291**

7 Other assets

Other assets – Current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	17,057,214	17,177,074
Indirect taxes recoverable	-	708,509
Employee advances	2,142,661	1,395,925
Others	3,152,537	-
Total	**22,352,412**	**19,281,508**

8 Trade receivables

A Trade receivables - Current (Unsecured)	As at December 31, 2022	As at December 31, 2021
Considered good	189,734,298	116,954,074
Considered doubtful	-	-
	189,734,298	**116,954,074**
Less: Allowance for doubtful debts	**-**	**-**
Total	**189,734,298**	**116,954,074**

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
Trade receivable - Billed						
Undisputed trade receivables – considered good	141,540,944	46,044,058	2,149,296			189,734,298
	141,540,944	46,044,058	2,149,296	-	-	189,734,298
Less - Allowance for Doubtful trade receivable - Billed	-	-	-	-	-	-
						189,734,298
Trade Receivables - Unbilled						38,926,209
						228,660,507

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
Trade receivable - Billed						
Undisputed trade receivables – considered good	84,184,245	29,768,907	3,000,922			116,954,074
						116,954,074
Less - Allowance for Doubtful trade receivable - Billed						-
						116,954,074
Trade Receivables - Unbilled						22,469,837
						139,423,911

9 Cash and bank balances

Cash and cash equivalents	**As at December 31, 2022**	**As at December 31, 2021**
In current accounts with banks	50,310,321	27,643,787
Total	**50,310,321**	**27,643,787**

Notes

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

10 Equity

10.1 Authorised capital	**As at December 31, 2022**	**As at December 31, 2021**
2(2) Participation share of MXN 8087502	8,087,502	8,087,502

10.2 Issued, subscribed and fully paid-up capital	**As at December 31, 2022**	**As at December 31, 2021**
Equity shares of Rs. 2 each	8,087,502	8,087,502

10.3 There is no movement in the share capital during year ended December 31,2022 and December 31,2021

10.4 Rights, preferences and restrictions attached to equity shares

The Company's share capital consist of capital contribution of MXN 8,085,329 by the holding company Hexaw are Technologies Limited and MXN 2,173 by fellow subsidiary Hexaw are Technologies Inc. out of w hich MXN 2,173 issued to Hexaw are Technologies Inc. w ithout receiving consideration in cash in view of merger of FocusFrame Mexico S de RL de CV w ith the company

10.5 Details of shares held by promoters

Name of the shareholder		**As at December 31, 2022**	**As at December 31, 2021**
Hexaw are Technologies Ltd. (Holding Company)	No. of shares held	8,085,329	8,085,329
	% of holding	99.97%	99.97%

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

11 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Dues of other than micro enterprises and small enterprises	-	2,552,238
Employee liabilities	46,247,432	28,309,955
Total	**46,247,432**	**30,862,193**

12 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Due of other than micro enterprises and small enterprises		
Trade payables	12,157,246	9,023,638
Accrued expenses	3,353,378	3,661,382
Total	**15,510,624**	**12,685,020**

B Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	6,685,514	4,528,173	943,559	-	-	12,157,246
	6,685,514	4,528,173	943,559	-	-	12,157,246
Accrued Expenses						3,353,378
						15,510,624

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	5,291,815	3,549,370	182,453	-	-	9,023,638
	5,291,815	3,549,370	182,453	-	-	9,023,638
						3,661,382
						12,685,020

13 Other liabilities

	As at December 31, 2022	As at December 31, 2021
Other liabilities - Current		
Unearned revenues	16,160,301	4,575,835
Statutory liabilities	37,225,734	22,275,350
Total	**53,386,035**	**26,851,185**

14 Provisions

	As at December 31, 2022	As at December 31, 2021
A Provisions - Non-current		
Employee benefit obligations in respect of gratuity and others	4,031,188	12,940,162
Total	**4,031,188**	**12,940,162**

	As at December 31, 2022	As at December 31, 2021
B Provisions - Current		
Employee benefit obligations in respect of compensated absences and others	40,267,783	11,362,214
Total	**40,267,783**	**11,362,214**

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

15 Revenue

15.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Geography		
Americas	1,034,562,073	598,834,778
Rest of the w orld	113,529,838	90,129,351
Total	**1,148,091,911**	**688,964,130**

Notes :

[1] is substantially related to operations in United States of America.

15.2 Disaggregated revenue with the customers by contract typ

	For the year ended	
	December 31, 2022	December 31, 2021
Onshore	93%	91%
Offshore/Nearshore	7%	9%
Total revenue from operations	**100%**	**100%**

15.3 Reconciliation of revenue recognised with the contracted price is as follows:

	December 31, 2022	December 31, 2021
Contracted price	1,148,399,185	689,343,503
Reductions tow ards variable consideration components (discounts,	(307,274)	(379,373)
Revenue recognised	**1,148,091,911**	**688,964,130**

15.4 Changes in Unearned revenues are as follows:

	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	4,575,835	1,351,219
Revenue recognised during the year	(4,575,835)	(1,351,219)
Additions during the year	16,160,301	4,575,835
Balance as at the end of the year	**16,160,301**	**4,575,835**

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

16 Other income

	For the year ended	
	December 31, 2022	December 31, 2021
Profit / (loss) on sale of property, plant and equipment (net)	(68,384)	(42,880)
Exchange rate difference (net)	(8,297,669)	(1,619,827)
Miscellaneous income	2,383,045	456,150
Total	**(5,983,008)**	**(1,206,557)**

17 Employee benefits expense

	For the year ended	
	December 31, 2022	December 31, 2021
Salary and allow ances	609,352,839	285,927,310
Contribution to provident, other funds and benefits	162,282,729	80,409,690
Staff w elfare expenses	35,591,799	12,076,234
Total	**807,227,367**	**378,413,234**

18 Other expenses

	For the year ended	
	December 31, 2022	December 31, 2021
Rent	10,724,019	8,411,633
Travelling and conveyance	39,461,268	36,010,222
Electricity charges	768,898	588,724
Communication expenses	7,403,952	5,616,708
Repairs and maintenance	10,860,139	7,745,726
Printing and stationery	4,608,420	3,607,254
Payment to auditors	503,130	536,916
Legal and professional fees	748,043	2,158,291
Bank and other charges	496,813	344,211
Directors' sitting fees	-	-
Insurance charges	-	47,315
Sub contracting and other service charges	82,246,110	141,175,965
Allow ance for doubtful debts (net of w rite back)	-	785,648
Miscellaneous expenses	1,502,010	653,303
Total	**159,322,802**	**207,681,916**

19 Finance costs

	For the year ended	
	December 31, 2022	December 31, 2021
Interest on lease liabilities	1,882,702	1,408,552
Others	-	-
Total	**1,882,702**	**1,408,552**

JFZ CONSULTING FIRM. S.C
CONTADORES PUBLICOS Y AUDITORES

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

20 Earnings per share (EPS)

	For the year ended December 31, 2022	For the year ended December 31, 2021
The components of basic and diluted EPS:		
Net profit after tax	85,733,862	53,545,401
Weighted average outstanding equity shares considered for basic EPS	2	2
Basic earnings per share	42,866,931	26,772,700

21 Related party disclosures

Names of related parties	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP, Cayman Island (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited, Mauritius (upto November 10,2021)	Mauritius
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
HT Global Holdings B.V. (upto November 10,2021)	Netherlands
Holding Company (control exists)	
Hexaware Technologies Limited	India
Fellow Subsidiaries	
Hexaware Technologies Inc	USA
Mobiquity Inc	USA
Hexaware Technologies UK Limited	United Kingdom

B Key Management Personnel (KMP)

Mr. R. Srikrishna - Executive Director and CEO
Mr. Kalpesh Bhatt

Nature of transactions	Name of the Related party and Relationship	For the year ended December 31, 2022	For the year ended December 31, 2021
Software and consultancy income	**Holding Company**		10,291,048
	Fellow Subsidiaries		
	Hexaware Technologies Inc.	838,307,967	336,225,966
	Mobiquity Inc	117,506	-
	Hexaware Technologies UK Ltd.	1,038,036	2,538,016
Reimbursement of cost to	**Holding Company**	2501749	
	Fellow Subsidiaries		
	Hexaware Technologies Inc.	-	530,169.05
Recovery of cost from	**Fellow Subsidiaries**		
	Hexaware Technologies Canada Ltd	-	36,980
	Hexaware Technologies Inc.	54,989,280	39,433,602

Outstanding Balances

Name of the Related party and Relationship		As at December 31, 2022	As at December 31, 2021
Trade and other receivable	**Fellow Subsidiaries:**		
	Hexaware Technologies Inc.	119,559,247	90,866,907
	Mobiquity Inc	-	327,472
	Hexaware Technologies UK Ltd.	461,005	208,871
Trade payable	**Holding Company**	266,299	128,651

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

22 Financial instruments

22.1 The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	50,310,321	-	-	-	50,310,321
Trade receivables	189,734,298	-	-	-	189,734,298
Unbilled receivables	38,926,209	-	-	-	38,926,209
Other financial assets	10,224,865	-	-	-	10,224,865
Total	**289,195,693**	**-**	**-**	**-**	**289,195,693**
Deferred consideration towards business acquisition [3]	-	-	-	-	-
Trade payables	15,510,624	-	-	-	15,510,624
Lease liabilities	36,489,778	-	-	-	36,489,778
Other financial liabilities	46,247,432	-	-	-	46,247,432
Total	**98,247,834**	**-**	**-**	**-**	**98,247,834**

22.2 The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	27,643,787	-	-	-	27,643,787
Trade receivables	116,954,073	-	-	-	116,954,073
Unbilled receivables	22,469,837	-	-	-	22,469,837
Other financial assets	7,787,291	-	-	-	7,787,291
Total	**174,854,988**	**-**	**-**	**-**	**174,854,988**
Trade payables	12,685,020	-	-	-	12,685,020
Lease liabilities	31,807,290	-	-	-	31,807,290
Other financial liabilities	30,862,193	-	-	-	30,862,193
Total	**75,354,503**	**-**	**-**	**-**	**75,354,503**

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022

	Less than 1 year	1-5 years	Total
Trade payables	15,510,624	-	15,510,624
Lease liabilities	22,847,693	13,642,085	36,489,778
Others	46,247,432	-	46,247,432
Total	84,605,749	13,642,085	98,247,834

As at December 31, 2021

	Less than 1 year	1-5 years	Total
Trade payables	12,685,020	-	12,685,020
Lease liabilities	18,315,355	13,491,935	31,807,290
Others	30,862,193	-	30,862,193
Total	61,862,568	13,491,935	75,354,503

Notes

1 Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, loans, other financial assets, borrowings, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.

22 Financial Instruments (Cont'd)

22.3 Financial risk management

The Company has identified the risks under verticals like client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management.

Client concentration risk

90% of the revenue of 2022 is generated from top 3 clients. Any loss or major downsizing of subsidiary may impact Company's profitability. Further, excessive exposure to one customer will limit Company's negotiating capacity and expose us to higher credit risk.

Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of MXN 189,734,298 and MXN 116,954,074 as at December 31, 2022 and 2021 respectively and unbilled revenue of MXN 38,926,209 and MXN 22,469,837 as at December 31, 2022 and 2021 .

Refer Note No.8 for the age wise analysis of trade receivables that are not due as well as past due.

Top 3 customer dues contribute 87% of the total outstanding as at December 31, 2022

Cash and cash equivalents include balance in current accounts only.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of MXN appreciation which is functional currency of the Company vs. the US Dollar, as largely, the costs incurred are in Mexican MXNs and the Revenue/ Inflows are in foreign currencies. The contracts we enter into with our customers tend to run across several years and most of these contracts are at fixed rates, any appreciation in the MXN vis-à-vis foreign currencies will affect our margins.

The following table analyses foreign currency risk from financial instruments

Currency: MXN

	2022		2021	
	USD	EUR	USD	EUR
Net financial assets	233,644,164	1,671,535	130,153,962	1,200,357
Net financial liabilities	2,188,380		11,575,874	
Net assets/(liabilities)	**231,455,784**	**1,671,535**	**118,578,088**	**1,200,357**

10% depreciation/appreciation of the respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in the decrease/ increase in Company's profit before tax approximately by MXN 23,312,732 and MXN 11,977,845 for the year ended December 31, 2022 and December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

22.4 Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investment requirements. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

As at December 31, 2022, the Company had total cash / bank balance of MXN 50,310,321 (December 31, 2021 : 27,643,787) which constitutes approximately 10% of total assets (previous year 8.00 %).

Hexaware Technologies Mexico, S. DE R.L. DE C.V.

MXN

Notes forming part of the Financial Statements

23 Segments

There is only one reportable business segment viz software consultancy, the results of which are disclosed in the financial statements.

24 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)[1]	Total Current Assets	Total Current Liability	1.78	1.96	-9%
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.12	0.15	-19%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	4.35	4.81	-9%
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	0.34	1.71	-80%
Trade receivables turnover ratio (in times)[2]	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	7.10	5.58	27%
Trade payables turnover ratio (in times)[3]	Other operating expenses (net of doubtfull debts)	Average trade payables	11.90	11.77	1%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	10.28	5.56	85%
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.07	0.08	-4%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	3.33	2.79	20%

25 Employee benefits:

In 2022, the Company recorded expenses in employee benefits of seniority premium and severance benefits of MXN 11,810,867 (2021 MXN 8,374,683) in the Statement of Profit and Loss. The Company believes any differences between its calculation of employee benefits of seniority premium and severance benefits and a calculation provided by an independent actuary would not be material.

26 Contingent liabilities

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) MXN 125,299 (Previous year MXN NIL).

27 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

28 Figures of Previous years are regrouped and reclassified wherever necessary

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For JFZ Consulting Firm, S.C
Chartered Accountants

C.P.C. Javier Fuentes Zambrano
Partner

Place: Monterrey, N.L. Mexico
Date: February 2nd, 2023

For and on behalf of the Board

Kalpesh Bhatt
Director

Place: New Jersey
Date: 02/02/2023

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditor's Report

To the Board of Director of Hexaware Technologies Canada Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Hexaware Technologies Canada Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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 obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Management's and Board of Directors' Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

Independent Auditor's Report *(Continued)*

Hexaware Technologies Canada Limited

Management's and Board of Directors' Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 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 effectiveness of the internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

BSR & Co. LLP
Chartered Accountants

Independent Auditor's Report *(Continued)*

Hexaware Technologies Canada Limited

Auditor's Responsibility for the 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 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 financial statements, including the disclosures, and whether the 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

DeSouza

Jaclyn Desouza
Partner
Membership No: 124629
ICAI UDIN: 23124629BGYTGD5186

Mumbai
08 February 2023

Hexaware Technologies Canada Limited

Balance Sheet as at December 31, 2022

Amount in CAD

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	20,541	463
Income tax assets (net)		-	74,199
Deferred tax assets (net)	5	-	25,000
Total non-current assets		**20,541**	**99,662**
Current assets			
Financial assets:			
Trade receivables			
Billed	8	5,654,178	4,158,307
Unbilled		2,966,869	1,669,447
Cash and cash equivalents	9	1,955,602	2,474,333
Other financial assets	6	3,950	5,913
Other current assets	7	53,939	16,869
Total current assets		**10,634,538**	**8,324,869**
TOTAL ASSETS		**10,655,079**	**8,424,531**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	23,385	23,385
Other equity		4,532,478	3,806,790
Total equity		**4,555,863**	**3,830,175**
Current liabilities			
Financial liabilities:			
Trade payables	12	4,015,903	3,066,118
Other financial liabilities	11	1,081,675	775,641
Other current liabilities	13	563,898	435,207
Provisions			
Employee benefit obligations in respect of compensated absences and others		433,309	317,390
Income tax liabilities (net)		4,431	-
Total current liabilities		**6,099,216**	**4,594,356**
Total liabilities		**6,099,216**	**4,594,356**
TOTAL EQUITY AND LIABILITIES		**10,655,079**	**8,424,531**

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number: 101248W/W-100022

DeSouza

Jaclyn Desouza

Partner

Membership number: 124629

Place: Mumbai

Date: Febuary 08, 2023

For and on behalf of the Board of Directors of Hexaware Technologies Canada Limited

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: Febuary 07, 2023

Hexaware Technologies Canada Limited

Statement of Profit And Loss for the year ended December 31, 2022

Amount in CAD

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	14	25,980,874	16,348,082
Other Income	15	207	(381)
TOTAL INCOME		**25,981,081**	**16,347,701**
EXPENSES			
Employee benefits expense	16	15,662,469	11,411,193
Finance costs		28,197	417
Depreciation and amortisation expense	4, 4, 5	9,502	1,185
Operating and other expenses	18	9,321,492	4,230,557
TOTAL EXPENSES		**25,021,659**	**15,643,351**
PROFIT BEFORE TAX		**959,422**	**704,349**
Tax expense	17		
Current tax		208,734	212,054
Deferred tax charge / (credit)		25,000	(25,000)
Total tax expense		**233,734**	**187,054**
PROFIT FOR THE YEAR		**725,688**	**517,295**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of cash flow hedges		-	100,000
Income tax relating to items that will be reclassified to profit or loss		-	(27,000)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**-**	**73,000**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**725,688**	**590,295**
Earnings per equity share:- Basic and diluted	19		
Basic and Diluted		725,688	517,295

The accompanying notes 1 to 26 form an integral part of the financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

JDeSouza

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08, 2023

For and on behalf of the Board of Directors of
Hexaware Technologies Canada Limited

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

Hexaware Technologies Canada Limited

Statement of Changes in Equity for the year ended December 31, 2022

Amount in CAD

	As at December 31, 2022	As at December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the year	23,385	23,385
Outstanding at the end of the year	23,385	23,385

B. OTHER EQUITY

	Total equity
Balance as at January 1, 2022	3,806,790
Profit for the period	725,688
Total comprehensive income	725,688
Tax benefit on share based compensation	-
Balance as at December 31, 2022	4,532,478
Balance as at January 1, 2021	3,289,494
Profit for the period	517,296
Total comprehensive income	517,296
Balance as at December 31, 2021	3,806,790

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08, 2023

For and on behalf of the Board of Directors of
Hexaware Technologies Canada Limited

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

Hexaware Technologies Canada Limited

Statement of Cash Flows for the year ended December 31, 2022

Amount in CAD

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cash flow from operating activities		
Profit before tax	959,422	704,350
Adjustments for:		
Depreciation and amortisation expense	9,502	1,185
Interest income	-	(381)
Finance costs	28,197	417
Operating profit before working capital changes	**997,121**	**705,571**
Adjustments for:		
Trade receivables and other assets	(2,828,401)	(1,869,409)
Trade payables, other liabilities and provisions	1,504,379	3,219,260
Cash generated from operations	**(326,901)**	**2,055,422**
Direct taxes paid (net)	(130,104)	(367,984)
Net cash generated from operating activities	**(457,005)**	**1,687,438**
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances	(29,580)	-
Interest received	-	381
Net cash used in investing activities	**(29,580)**	**381**
Cash flow from financing activities		
Payment of lease liabilities	(3,950)	-
Interest paid	(28,197)	(417)
Net cash used in financing activities	**(32,147)**	**(417)**
Net (decrease) / increase in cash and cash equivalents	**(518,732)**	1,687,402
Cash and cash equivalents at the beginning of the year	2,474,333	786,931
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year (Refer to note 9)	**1,955,602**	2,474,333

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firms' registration number: 101248W/W-100022

Jaclyn Desouza
Partner
Membership number: 124629
Place: Mumbai
Date: Febuary 08, 2023

For and on behalf of the Board of Directors of Hexaware Technologies Canada Limited

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: New Jersey
Date: Febuary 07, 2023

1 Corporate Information

Hexaware Technologies Canada Limited ('the Company') is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India ('The Holding Company').

The Company was incorporated in October 2001. The Company provides information technology ("IT") services and solutions to its clients, primarily in the form of professional IT and consulting services.

2 Significant Accounting Policies

2.1 Statement of Compliance

"The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Ind AS financial statements (here after referred to as "the financial statements") have been prepared for the purpose of consolidation with the holding company. These financial has been prepared to assist the Holding Company (Hexaware Technologies Limited) to comply with the requirements of section 129(3) of the Companies Act, 2013."

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Canadian Dollars (CAD $) which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdictions for the Company is Canada though the Company also files tax returns in other overseas jurisdiction. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.3.4 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3.5 Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

2.3.6 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.4 Revenue recognition

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.

2 Significant Accounting Policies *(Continued)*

2.4 Revenue recognition (*Continued*)

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 a 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.

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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use ("RoU") asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less (short term leases) and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

The RoU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

The Company follows s 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 as per Ind AS 116.

The Company has made use of the following pratical expedients available while applying Ind AS 116 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognized the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease modification.

SSR & Co Chartered Accountants, 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

2 Significant Accounting Policies *(Continued)*

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the Statement of Profit and Loss except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.8 Employee benefits

a) Post-employment benefits and other long term benefit plan

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined based on the expert technical advice / stipulation of Schedule II of the Act:

Asset Class	Estimated useful Life
Buildings	60 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	8 years
Vehicles	4 years

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Software licenses are amortised over three years.

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

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Chartered Accountants
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2 Significant Accounting Policies *(Continued)*

2.12 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-Financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 Provisions and contingent liability

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.14 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(A) Financial assets and financial liabilities

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(B) Share capital

Equity shares

Incremental costs directly attributable to the issue of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1st, 2022, as below:

1. Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

2. Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the interim condensed financial statements.

3. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its interim condensed financial statements.

4. Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability.

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Amount in CAD

4 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Plant and Machinery [1]
Cost as at January 1, 2022	9,004
Additions	29,580
Cost as at December 31, 2022	38,584
Accumulated depreciation as at January 1, 2022	8,541
Depreciation for the year	9,502
Accumulated depreciation as at December 31, 2022	18,042
Net carrying amount as at December 31, 2022	**20,541**
Cost as at January 1, 2021	9,004
Cost as at December 31, 2021	9,004
Accumalated depreciation as at January 1, 2021	7,356
Depreciation for the year	1,185
Accumulated depreciation as at December 31, 2021	8,541
Net carrying amount as at December 31, 2021	463

Notes:

1 Plant and machinery includes computer systems.

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Amount in CAD

5 Deferred Tax

Significant components of net deferred tax assets and liabilities are as follows:	**As at December 31, 2022**	**As at December 31, 2021**
Deferred tax assets relating to		
Allowance for doubtful debts	-	25,000
Net deferred tax asset	**-**	**25,000**

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Amount in CAD

6 Other financial assets

Other financial assets – Current	**As at December 31, 2022**	**As at December 31, 2021**
Advance to related parties (refer note 17)	-	5,912
Security deposits for premises and others	3,950	-
Total	**3,950**	**5,912**

7 Other assets

Other assets – Current	**As at December 31, 2022**	**As at December 31, 2021**
Prepaid expenses	8,600	-
Employee advances	34,512	16,869
Others	10,827	-
Total	**53,939**	**16,869**

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Amount in CAD

8 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2022	As at December 31, 2021
Considered good	5,654,178	4,158,307
Considered doubtful	1,080	89,421
	5,655,258	4,247,728
Less: Allowance for doubtful debts	(1,080)	(89,421)
Total	5,654,178	4,158,307

B Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
Undisputed trade receivables – considered good	2,724,299	2,930,229				5,654,528
Undisputed trade receivables – credit impaired		1,080				1,080
	2,724,299	2,930,229	-	-	-	5,655,608
Less - Allowance for Doubtful trade receivable						(1,080)
						5,654,528
Unbilled receivables						2,966,869
						8,621,398

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
Undisputed trade receivables – considered good	2,212,221	1,940,818				4,153,039
Undisputed trade receivables – credit impaired	-	89,421				89,421
Undisputed trade receivables – considered good (refer note 17)	-	5,590				5,590
	2,212,221	1,940,818	-	-	-	4,248,050
Less - Allowance for Doubtful trade receivable						(89,421)
						4,158,629
Unbilled receivables						23,385.00
						4,182,014

9 Cash and bank balances

Cash and cash equivalents

	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	1,955,602	2,474,333
Total	1,955,602	2,474,333

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Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in CAD

10 Equity

	As at December 31, 2022	As at December 31, 2021
10.1 Authorised capital		
Unlimited Share Capital Consisting of 9 Classes of shares (Series A)	-	-

	As at December 31, 2022	As at December 31, 2021
10.2 Issued, subscribed and paid-up capital		
1 Share in common stock of no par value of Class "A" shares	23,385	23,385

10.3 There is no movement in share capital during period ended December 31, 2022 and December 31, 2021

10.4 All shares are held by Hexaware Technologies Limited, the holding company.

11 Other financial liabilities

Other financial liabilities - Current	As at December 31, 2022	As at December 31, 2021
Employee liabilities	1,081,675	775,641
Total	**1,081,675**	**775,641**

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Amount in CAD

12 Trade payables

A Due to other than micro enterprises and small enterprises

	As at December 31, 2022	As at December 31, 2021
Trade payables	3,155,582	2,621,415
Accrued expenses	860,321	444,703
Total	4,015,903	3,066,118

B Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Trade payables					
	866,690	2,285,742	3,150	-	3,155,582
	866,690	2,285,742	3,150	-	3,155,582
Accrued expenses	860,321				860,321
					4,015,903

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Trade payables					
	560,776	2,060,620	18	-	2,621,415
	560,776	2,060,620	18	-	2,621,415
Accrued expenses	444,703				444,703
					3,066,118

13 Other liabilities

Other liabilities - Current

	As at December 31, 2022	As at December 31, 2021
Unearned revenues	114,504	66,102
Statutory liabilities	449,394	369,105
Total	563,898	435,207

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14 Revenue

14.1 The disaggregated revenue with the customers by contract type:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Offshore	11,579,557	10,339,430
Onshore	14,401,317	6,008,652
Total revenue from operations	25,980,874	16,348,082

14.2 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Contracted price	27,592,438	16,348,082
Reductions towards variable consideration components (discounts, rebate)	(1,611,565)	
Revenue recognised	25,980,874	16,348,082

14.3 The revenue from contracts as per geography is as under:

	For the year ended December 31, 2022	For the year ended December 31, 2021
North America	25,980,874	14,229,151
Rest of the world	-	2,118,931
Total revenue from operations	25,980,874	16,348,082

14.4 Changes in Contract Liabilities / Unearned revenues are as follows:

	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	66,102	9,614
Revenue recognised during the year	(66,102)	(9,614)
Additions during the year	114,504	66,102
Balance as at the end of the year	114,504	66,102

14.6 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	December 31, 2022	December 31, 2021
Within 1 year	424,051	66,103.00
More than 1 year	-	-

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to change in transaction price.

Notes

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Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in CAD

15 Other Income	For the year ended December 31, 2022	For the year ended December 31, 2021
Exchange rate difference (net)	99	(381)
Interest income	109	-
	207	(381)

16 Employee benefits expense	For the year ended December 31, 2022	For the year ended December 31, 2021
Salary and allowances	14,083,501	10,313,909
Contribution to Government pension, other funds and benefits	1,565,448	1,088,754
Staff welfare expenses	13,519	8,530
Total	15,662,469	11,411,193

17 The reconciliation of estimated tax expenses in Statement of Profit and Loss is as follows.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before income tax	959,422	704,349
Expected tax expense at the enacted tax rate of 38% (Previous year 38%)	364,580	267,653
Adjustment to reconcile expected income tax expenses to reported income tax expenses		
Impact of tax abatement and general adjustment	(207,851)	(184,448)
Provincial taxes	103,879	92,358
Short / (Excess) provision of taxes of earlier years	(10,658)	(10,431)
Others	(16,216)	21,922
Income tax expense:	233,734	187,054

18 Operating and other expenses	For the year ended December 31, 2022	For the year ended December 31, 2021
Rent	31,600	-
Rates and taxes	134,553	(2,292)
Travelling and conveyance	409,065	316,663
Communication expenses	25,813	15,048
Repairs and maintenance	26,531	(5,658)
Printing and stationery	167	(83)
Legal and professional fees	16,246	22,794
Advertisement and business promotion	25,656	13,865
Bank and other charges	4,970	3,594
Insurance charges	19,518	12,736
Sub contracting and other service charges	8,401,421	3,638,345
Debts and advances written off	4,894	-
Allowance for doubtful debts (net of write back)	(88,341)	89,421
Staff recruitment expenses	297,574	109,882
Miscellaneous expenses	11,825	16,242
Total	9,321,492	4,230,557

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19 Earnings per share (EPS)

The issued, subscribed and paid up capital of the Company consists of one share in common stock of no par value and the earnings per share is computed on the basis of such one share. Accordingly the entire profit after tax is the earnings per share.

20 Related party disclosures

20.1 Name of Related Parties and description of relationship:	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP, Cayman Island (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited, Mauritius (control exists) (upto November 10,2021)	Mauritius
CA Magnum Holdings (control exists) (w.e.f. November 11, 2021)	Mauritius
HT Global Holdings B.V. (Significant influence exists) (upto November 10,2021)	Netherlands
Parent company of Hexaware Technologies Inc (control exists)	
Hexaware Technologies Limited	India
Subsidiaries	
Mobiquity Inc.	USA
Mobiquity Velocity Solutions, Inc [(1)]	USA
Mobiquity Velocity Cooperative UA [(1)]	Netherland
Mobiquity BV [(2)]	Netherland
Mobiquity Consulting BV (formerly known as Morgan Clark BV)[(2)]	Netherland
Fellow Subsidiaries	
Hexaware Technologies Canada Limited	Canada
Hexaware Technologies Asia Pacific Pte Ltd.,	Singapore
Hexaware Technologies Gmbh,	Germany
Hexaware Technologies UK Limited.	United Kingdom
Hexaware Technologies, Mexico S. De R.L. De C.V.,	Mexico
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiquity Softech Private Limited	India
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
	China

Key Management Personnel

R. Srikrishna, Director and Chief Executive Officer of Holding Company

Vinod Chandran, Director.

Notes:

1. Subsidiary of Mobiquity Inc.
2. Subsidiary of Mobiquity Velocity Cooperative UA

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Amount in CAD

20 Related party disclosures (*Continued*)

20.2 Transactions during the period

Sr No	Particulars	Name Of Related Party And Nature of relationship	For the year ended December 31, 2022	For the year ended December 31, 2021
1	Reimbursement of Cost to	**Holding Company**	6,827	-
		Fellow Subsidiaries		
		Hexaware Technologies Inc	1,286,694	1,267,753
		Hexaware Technologies Mexico S.DE RL. DE C.V	16,695	3,150
			-	2,268
2	Employee advances reimbursed to	**Holding Company**	154,677	60,510
3	Receiving of services	**Holding Company**	7,122,067	3,475,033
4	Software and Consultancy Income (Rendering of Services)	**Holding Company**	-	2,072,553
		Fellow Subsidiary		
		Hexaware Technologies UK Limited	-	37,350
5	Recovery of Cost / Advances from	**Holding Company**	-	5,558
		Fellow Subsidiary		
		Hexaware Technologies Inc	-	8,265

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Amount in CAD

20 Related party disclosures (*Continued*)

20.3 Closing Balances

Particular	Nature of relationship	As at December 31, 2022	As at December 31, 2021
Advances	**Holding Company**	-	5,912
Trade Payable	**Holding Company**	3,061,221	2,604,503
	Fellow Subsidiary		
	Hexaware Technologies Inc	20,167	3,472
Others Payable	**Holding Company**	628,827	306,201

Amount in CAD

21 Financial Instruments

(I) The carrying value / fair value of financial instruments (other than investment in associate/subsidiary) by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	1,955,602	-	-	-	1,955,602
Trade receivables	5,654,178	-	-	-	5,654,178
Unbilled receivables	2,966,869	-	-	-	2,966,869
Other financial assets	3,950	-	-	-	3,950
Total	10,580,599	-	-	-	10,580,599
Trade payables	4,015,903	-	-	-	4,015,903
Other financial liabilities	1,081,675	-	-	-	1,081,675
Total	5,097,578	-	-	-	5,097,578

(II) The carrying value / fair value of financial instruments (other than investment in associate/subsidiary) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,474,333	-	-	-	2,474,333
Trade receivables	4,158,307	-	-	-	4,158,307
Unbilled receivables	1,669,447	-	-	-	1,669,447
Other financial assets	5,913	-	-	-	5,913
Total	8,308,000	-	-	-	8,308,000
Trade payables	3,066,118	-	-	-	3,066,118
Other financial liabilities	775,641	-	-	-	775,641
Total	3,841,759	-	-	-	3,841,759

Notes

1 Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, loans, other financial assets, borrowings, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.

2 Investment in fellow subsidiary is measured at fair value through other comprehensive income.

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Notes forming part of Financial Statements for the Year ended December 31, 2022

Amount in CAD

21 Financial Instruments

21.2 Category of financial instruments
All Financial instruments are measured at amortised cost. Amortised cost- Carrying amount of cash and cash equivalents, trade receivables, trade and other payables, other financial assets and liabilities approximate the fair value because of their short term nature

21.3 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 observed and the significance of the inputs to the fair value measurements 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

21.4 Financial risk management
The company has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and CFO, after consultation with all business units, functions and department heads

Geographic and client concentration risk

Approximately 98.91 % of the revenue of the year is generated from top 1 clients (94.02% as at December 31, 2021). Any loss or major downsizing by these clients may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

Credit risk
Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of CAD 5,854,500 and CAD 4,158,629 as at December 31, 2022 and December 31, 2021, respectively. Refer Note No. 8 for the age wise analysis of trade receivables that are not due as well as past due

1 Customers dues contribute 100 % of the total outstanding as at December 31, 2022 (100% as at December 31, 2021)

Foreign currency fluctuations risk
The company's transaction are predominantly in CAD and incurs foreign currency risk on transactions that are dominated by currency other than CAD such as USD. The company does not hedge any currency exposure since the net foreign exchange exposure is insignificant.

Liquidity risk
Cash and cash equivalents includes current account balances with banks

The Company needs continuous access to funds to meet short and long term strategic investment requirements. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks

As at December 31, 2022, the Company had total cash / bank balance CAD 1,865,802 which constitutes approximately 18 % of total assets (29 % as at December 31, 2020). The Company does not have any debt

Interest rate risk

The Company does not have any debt. The balances with banks and financial institution is in the form of fixed interest rate deposits. Hence, the Company is not exposed to significant interest rate risk

Capital management
The Company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares

22 Employee Benefits

The Company has recognised CAD 546,177 (Previous Year CAD 385,780) for pension fund contribution in Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes

23 Segment disclosures

As per Ind AS 108 on "Operating Segments", segment reporting information has been provided under the notes to the consolidated financial statements of Hexaware Technologies Limited

24 There is no contingent liabilities and commitments as on 31 December 2022 and 31st December 2021

25 Material events after Balance Sheet date
There is no significant event after reporting date which requires adjustment or disclosure to the financial statements

26 Approval of financial statements -
The financial statements were approved for issue by the Board of Directors on February 07, 2023

In terms of our report attached
For B S R & Co. LLP
Firm's registration number : 101248W/W-100022
Chartered Accountants

Jaclyn Desouza
Partner
Membership number: 124829
Place : Mumbai
Date : February 08, 2023

For and on behalf of the Board of Directors of Hexaware Technologies Canada Limited

R. Srikrishna
Director

Place : New Jersey
Date : February 07, 2023

Independent Auditor's Report

TO THE MEMBERS OF Hexaware Technologies Saudi LLC

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Saudi LLC ("the Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements
Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

701, Parijat "A" CHS, Road No.6, Prabhat Colony, Santacruz - East, Mumbai - 400055. Mob: 93222 25270

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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTJ3209

Mumbai, January 30, 2023

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

Financial Statements under Indian Accounting Standards (Ind AS) as at December 31, 2022

Index **Page No**

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Balance Sheet

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	40,885	23,619
Right-of-use assets	4	-	70,461
Other financial assets	6	4,505	4,505
Total non-current assets		**45,390**	**98,585**
Current assets			
Financial assets:			
Trade receivables	8	10,778,706	543,167
Unbilled receivables		4,198,942	777,205
Cash and cash equivalents	9	762,813	409,111
Income tax assets (net)		-	-
Other current assets	7	199,604	531,988
Total current assets		**15,940,065**	**2,261,471**
TOTAL ASSETS		**15,985,455**	**2,360,056**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	500,000	500,000
Other equity		(79,904)	(311,280)
Total equity		**420,096**	**188,720**
Non-current liabilities			
Financial liabilities:			
Lease liabilities		-	(61,311)
Total non-current liabilities		**-**	**(61,311)**
Current liabilities			
Financial liabilities:			
Lease liabilities		-	85,495
Trade payables			
Dues of other than micro enterprises and small enterprises	11	14,150,075	1,998,803
Other current liabilities	12	1,347,284	128,349
Income tax liabilities (net)		68,000	20,000
Total current liabilities		**15,565,359**	**2,232,647**
Total liabilities		**15,565,359**	**2,171,336**
TOTAL EQUITY AND LIABILITIES		**15,985,455**	**2,360,056**

The accompanying notes 1 to 25 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates	**For and on behalf of the Board**
Chartered Accountants	
(FRN No. 158315W)	
Kaushik S. Bhatia	**Gautam Khanna**
Proprietor	**Authorised Signatory**
(Membership No. 046908)	
Place: Saudi	Place: Saudi
Date: January 30, 2023	Date: January 30, 2023

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Statement of Profit And Loss

	Note No.	For the year ended December 31, 2022	December 31, 2021
INCOME			
Revenue from operations	13	21,978,659	4,176,469
Exchange rate difference (net)		48,356	(2,386)
TOTAL INCOME		**22,027,015**	**4,174,083**
EXPENSES			
Employee benefits expense	14	1,770,773	424,487
Finance costs	16	438	19,636
Depreciation and amortisation expense	4 & 5	32,173	86,279
Other expenses	15	19,930,756	3,555,482
TOTAL EXPENSES		**21,734,140**	**4,085,884**
PROFIT BEFORE TAX		**292,875**	**88,199**
Tax expense			
Current tax		61,499	33,176
Total tax expense		**61,499**	**33,176**
PROFIT FOR THE PERIOD		**231,376**	**55,023**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**231,376**	**55,023**
Earnings per equity share:- Basic and diluted (SAR)	17		
Basic		4.63	1.10
Diluted		4.63	1.10

The accompanying notes 1 to 25 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(FRN No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
Place: Saudi
Date: January 30, 2023

For and on behalf of the Board

Gautam Khanna
Authorised Signatory

Place: Saudi
Date: January 30, 2023

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Statement of Changes in Equity

	As at December 31, 2022	As at December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the period	500,000	500,000
Changes in equity share capital during the period [1]	-	-
Outstanding at the end of the period	**500,000**	**500,000**

OTHER EQUITY

	Reserves and surplus		Total equity
	General reserve	Retained earnings	
Balance as at January 1, 2022	(311,280)	-	(311,280)
Profit for the period	231,376	-	231,376
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income	**(79,904)**	**-**	**(79,904)**
Dividend	-	-	-
Transfer to Special Economic Zone re-investment reserve	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-
Received / transferred on exercise of stock options	-	-	-
Reversal of repurchase of restricted stock units [3]	-	-	-
Compensation related to employee share based payments	-	-	-
Balance as at December 31, 2022	**(79,904)**	**-**	**(79,904)**
Balance as at January 1, 2021	(366,303)	-	(366,303)
Profit for the period	55,023	-	55,023
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income	**(311,280)**	**-**	**(311,280)**
Dividend	-	-	-
Transfer to Special Economic Zone re-investment reserve	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-
Received / transferred on exercise of stock options	-	-	-
Repurchase of restricted stock units	-	-	-
Compensation related to employee share based payments	-	-	-
Balance as at December 31, 2021	**(311,280)**	**-**	**(311,280)**

Notes

1 Refer to note 10

2 Supplementray information convenience translation (see note 2)

For K. S. Bhatia & Associates

Chartered Accountants

(FRN No. 158315W)

Kaushik S. Bhatia

Proprietor

(Membership No. 046908)

Place: Saudi

Date: January 30, 2023

For and on behalf of the Board

Gautam Khanna

Authorised Signatory

Place: Saudi

Date: January 30, 2023

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Statement of Cash Flows

	For the year ended	
	December 31, 2022	**December 31, 2021**
Cash flow from operating activities		
Profit before tax	**292,875**	**88,199**
Adjustments for:		
Depreciation and amortization expense	32,173	86,279
Allowance for doubtful debts (net of write back)	-	-
Finance costs	438	19,636
Operating profit before working capital changes	**325,486**	**194,114**
Adjustments for:		
Trade receivables and other assets	(13,324,892)	667,918
	13,414,607	(1,089,076)
Cash generated from operations	**415,201**	**(227,044)**
Direct taxes paid (net)	(61,499)	-
Net cash generated from operating activities	**353,702**	**(227,044)**
Cash flow from financing activities		
Payment of lease liabilities	-	(90,096)
Net cash used in from financing activities	**-**	**(90,096)**
Net increase in cash and cash equivalents	**353,702**	**(317,140)**
Cash and cash equivalents at the beginning of the period	409,111	726,251
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	**762,813**	**409,111**
(Refer to note 9)		

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 25 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(FRN No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Place: Saudi

Date: January 30, 2023

For and on behalf of the Board

Gautam Khanna
Authorised Signatory

Place: Saudi

Date: January 30, 2023

Notes forming part of the Financial Statements

1 Company overview

Hexaware Technologies Saudi LLC is a subsidiary of Hexaware Technologies Ltd, India. The Financial statements have been prepared and audited for the purpose of consolidation with the holding Company.The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in SAR which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-Companyed/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is India though the Company also files tax returns in overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.3.4 Others

Other areas involving estimates relates to actuarial assumptions used to determine the carrying amount of defined benefit obligation, estimation of fair value of share based payment transactions and useful lives of Property Plant and Equipment.

2 Significant Accounting Policies *(Continued)*

2.4 Revenue Recognition

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 a 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.

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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use ("RoU") asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less (short term leases) and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term

The RoU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

2 Significant Accounting Policies *(Continued)*

2.5 Leases (Continued)

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company has made use of the following pratical expedients available while applying Ind AS 116 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognized the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease modification.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.8 Employee Benefits

a) Post-employment benefits and other long term benefit plan

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2 Significant Accounting Policies *(Continued)*

2.9 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.10 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.11 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Buildings	60 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	3-5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	3-8 years
Vehicles	4 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Intangible assets and amortisation

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives

Asset Class	Estimated useful Life
Software licenses	3 years
Customer contracts / relations	5-7 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2 Significant Accounting Policies *(Continued)*

2.13 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2.15 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

2 Significant Accounting Policies *(Continued)*

2.16 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.\

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

(SAR, except share and per share data, unless otherwise stated)
Notes forming part of the Financial Statements

4 Right-of-use assets

The details of the right-of-use assets held by the Company is as follows:

	Leasehold land	Total
Cost as at January 1, 2022	238,990	238,990
Additions	(238,990)	(238,990)
Cost as at December 31, 2022	-	-
Accumulated amortization as at January 1, 2022	168,529	168,529
Amortisation for the period	21,066	21,066
Reversal	(189,595)	(189,595)
Accumulated amortization as at December 31, 2022	-	-
Net carrying amount as at December 31, 2022	-	-
Cost as at January 1, 2021	238,990	238,990
Additions	-	-
Cost as at December 31, 2021	**238,990**	**238,990**
Accumulated amortization as at January 1, 2021	84,265	84,265
Amortisation for the period	84,264	84,264
Accumulated amortization as at December 31, 2021	**168,529**	**168,529**
Net carrying amount as at December 31, 2021	**70,461**	**70,461**

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

5 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Plant and machinery	Furniture and fixtures	Total
Cost as at January 1, 2022	21,638	3,996	25,634
Additions	28,372	-	28,372
Capitalised	-		-
(Disposals)			-
Translation exchange difference	-	-	-
Cost as at December 31, 2022	50,010	3,996	54,007
Accumulated depreciation as at January 1, 2022	1,961	54	2,015
Depreciation for the period	10,611	496	11,107
(Disposals)	-	-	-
Translation exchange difference	-	-	-
Accumulated depreciation as at December 31, 2022	12,572	550	13,122
Net carrying amount as at December 31, 2022	**37,438**	**3,446**	**40,885**
Cost as at January 1, 2021	-	-	-
Additions	21,638	3,996	25,634
Capitalised	-	-	-
(Disposals)	-	-	-
Translation exchange difference	-	-	-
Cost as at December 31, 2021	21,638	3,996	25,634
Accumulated depreciation as at December 31, 2021	-	-	-
Transition impact of Ind AS 116[2]	-	-	-
Accumulated depreciation as at January 1, 2021	-	-	-
Depreciation for the year	1,961	54	2,015
(Disposals)	-	-	-
Translation exchange difference	-	-	-
Accumulated depreciation as at December 31, 2021	1,961	54	2,015
Net carrying amount as at December 31, 2021	19,677	3,942	23,619

Note:

1 Plant and machinery includes computer systems.

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

6 Other financial assets

Other financial assets – Non-current	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others[1]	4,505	4,505
Total	**4,505**	**4,505**

7 Other assets

Other assets – Current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	173,193	91,648
Employee advances	26,411	10,406
Contracts assets	-	429,934
Total	**199,604**	**531,988**

8 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2022	As at December 31, 2021
Considered good	10,778,706	543,167
Considered doubtful	220,536	-
	10,999,242	**543,167**
Less: Allowance for doubtful debts	(220,536)	-
Total	**10,778,706**	**543,167**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	1,226,521	9,552,186	-	-	-	-	10,778,707
Undisputed trade receivables – credit impaired	-	114,446	106,090				220,536
	1,226,521	9,666,632	106,090	-	-	-	10,999,242
Less - Allowance for Doubtful trade receivable							(220,536)
							10,778,706
Unbilled receivables							4,198,942
							14,977,648

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	543,167					**543,167**
	-	543,167	-	-	-	-	543167
Less - Allowance for Doubtful trade receivable							-
							543,167
Unbilled receivables							777,205
							1,320,372

The activity in the allowance for doubtful debts is given below:	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	-	-
Additions during the year, gross	1,311,048	111,271
Amounts recovered during the year	(1,090,512)	(111,271)
Translation exchange difference	**220,536**	-

9 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	762,813	409,111
Total	**762,813**	**409,111**

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

10 Equity

	As at December 31, 2022	As at December 31, 2021
10.1 Authorised capital		
50,000 shares of SAR 10 each	500,000	500,000

	As at December 31, 2022	As at December 31, 2021
10.2 Issued, subscribed and fully paid-up capital		
Equity shares of SAR 10 each	500,000	500,000

10.3 There is no movement in the share capital during the year ended December 31,2022

10.4 Rights, preferences and restrictions attached to equity shares

The Company's share capital consist of capital contribution of SAR 450,000 by the holding company Hexaware Technologies Limited and SAR 50,000 by another wholly owned subsidiary of Hexaware Technologies Ltd M/s Hexaware Technologies Asia Pacific Pte Ltd .

10.5 Details of shares held by promoters		As at December 31, 2022	As at December 31, 2021
Name of the shareholder			
Hexaware Technologies Ltd. (Holding Company)	No. of shares held	45,000	45,000
	% of holding	90%	90%
Hexaware Technologies Asia Pacific Pte Ltd (Wholly owned Subsidiary)	No. of shares held	5,000	5,000
	% of holding	10%	10%

11 Trade payables

	As at December 31, 2022	As at December 31, 2021
Due of other than micro enterprises and small enterprises		
Trade payables	12,457,263	1,383,355
Accrued expenses	1,692,812	615,448
Total	**14,150,075**	**1,998,803**

A Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	ving periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables							
Others	2,521,990	9,627,559	307,714				12,457,263
	2,521,990	9,627,559	307,714	-	-	-	12,457,263
Accrued Expenses							1,692,812
							14,150,075

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	ving periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables							
Others	418,237	965,118					1,383,355
	418,237	965,118	-	-	-	-	1,383,355
Accrued Expenses							615,448
							1,998,803

12 Other liabilities

	As at December 31, 2022	As at December 31, 2021
Other liabilities - Current		
Unearned revenues	70,742	-
Statutory liabilities	1,276,542	128,349
Total	**1,347,284**	**128,349**

Hexaware Technologies Saudi LLC

Registered Office: Office 406-A, Floor 04, Al Olaya Tower, AL Olaya, AL Riyadh, Saudi Arabia

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

13 Revenue

Revenue by Nature	December 31, 2022	December 31, 2021
Revenue from contracts with customers	21,978,659	4,176,469
Total	**21,978,659**	**4,176,469**

13.1 Disaggregated revenue with the customers by Geography is as under :

	For the year ended	
	December 31, 2022	December 31, 2021
Geography		
APAC	21,978,659	4,176,469
Total	**21,978,659**	**4,176,469**

Notes :

[1] is substantially related to operations in United States of America.

13.2 Disaggregated revenue with the customers by contract type:

	For the year ended	
	December 31, 2022	December 31, 2021
Onshore	51%	28%
Offshore/Nearshore	49%	72%
Total revenue from operations	**100%**	**100%**

13.3 Reconciliation of revenue recognised with the contracted price is as follows:

	December 31, 2022	December 31, 2021
Contracted price	22,194,355	4,190,719
Reductions towards variable consideration components (discounts, rebate)	(215,696)	(14,250)
Revenue recognised	**21,978,659**	**4,176,469**

13.4 Changes in Unearned revenues are as follows:

	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	-	362,212
Revenue recognised during the year	1,836,131	362,212
Additions during the year	2,336,465	-
Balance as at the end of the year	**500,334.00**	-

Notes:

14 Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salary and allowances	1,576,697	390,285
Contribution to provident, other funds and benefits	194,076	33,486
Total	**1,770,773**	**424,486**

15 Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Rent	99,975	-
Rates and taxes	2,710	12,532
Travelling and conveyance	239,129	76,544
Communication expenses	165	-
Repairs and maintenance	55,212	374,003
Printing and stationery	65	-
Payment to auditors	-	36,900
Legal and professional fees	196,747	229,488
Bank and other charges	6,306	5,852
Sub contracting and other service charges	19,066,758	2,820,163
Allowance for doubtful debts (net of write back)	220,536	-
Staff recruitment expenses	18,380	-
Miscellaneous expenses	24,773	-
Total	**19,930,756**	**3,555,482**

16 Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest on lease liabilities	438	3,760
Others	-	15,876
Total	**438**	**19,636**

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

17 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	231,376	55,023
Weighted average outstanding equity shares considered for basic EPS	50,000	50,000
Basic earnings per share	4.63	1.10

18 Related party disclosures

Names of related parties

Ultimate Holding Company and it's subsidiaries

CA Campine Investments (w.e.f. November 11, 2021)
CA Magnum Holdings (w.e.f. November 11, 2021)
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists) (upto November 10,2021)
The Baring Asia Private Equity Fund V, LP, Cayman Island (upto November 10,2021)
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius (upto November 10,2021)
HT Global IT Solutions Holdings Limited, Mauritius (upto November 10,2021)
HT Global Holdings B.V. (upto November 10,2021)

Holding Company (control exists)

Hexaware Technologies Limited

Fellow Subsidiaries

Hexaware Technologies Asia Pacific Pte Ltd
Mobiquity BV

Nature of transactions	**Name of the Related party and Relat**	**For the year ended**	
		December 31, 2022	December 31, 2021
Software Development expenses -	Holding Company	14,786,372	2,585,606
	Fellow Subsidiary	2,494,966	-
Reimbursement of cost to	Holding Company	55,752	12,000

Outstanding Balances

Name of the Related party and Relationship		December 31, 2022	December 31, 2021
Trade payable (Including accrual)	Holding Company	9,876,998	1,767,438
	Fellow Subsidiary	2,492,974	-

19 Financial instruments

19.1 The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	762,813	-	-	-	762,813
Trade receivables	10,778,706	-	-	-	10,778,706
Unbilled receivables	4,198,942	-	-	-	4,198,942
Other financial assets	4,505	-	-	-	4,505
Total	**15,744,966**	**-**	**-**	**-**	**15,744,966**
Trade payables	14,150,075	-	-	-	14,150,075
Total	**14,150,075**	**-**	**-**	**-**	**14,150,075**

(ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	409,111	-	-	-	409,111
Trade receivables	543,167	-	-	-	543,167
Unbilled receivables	777,205	-	-	-	777,205
Other financial assets	4,505	-	-	-	4,505
Total	**1,733,988**	**-**	**-**	**-**	**1,733,988**
Trade payables	1,998,803	-	-	-	1,998,803
Lease liabilities	24,184	-	-	-	24,184
Total	**2,022,987**	**-**	**-**	**-**	**2,022,987**

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2021

	Less than 1 year	1-5 years	Total
Trade payables	14,150,075	-	14,150,075
Total	14,150,075	-	14,150,075

As at December 31, 2021

	Less than 1 year	1-5 years	Total
Trade payables	1,998,803	-	1,998,803
Lease liabilities	24,184		24,184
Total	2,022,987	-	2,022,987

Notes

1 Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, loans, other financial assets, borrowings, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.

19 Financial Instruments (Cont'd)

19.2 Financial risk management

The Company has identified the risks under verticals like client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) Client concentration risk

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of SAR 10,999,242 and SAR 543,167 as at December 31, 2022 and December 31, 2021 respectively.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 8 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables

Cash and cash equivalents include current account balances with banks.

(iii) Foreign Currency fluctuations Risk

The following table analyses foreign currency risk from financial instruments as at December 31, 2022:

	SAR
	USD
Net financial assets	15,230,387
Net financial liabilities	2,560,740
Net assets/(liabilities)	12,669,647

The following table analyses foreign currency risk from financial instruments as at December 31, 2021:

	SAR
	USD
Net financial assets	1,751,080
Net financial liabilities	-
Net assets/(liabilities)	1,751,080

10% depreciation/appreciation of the respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in the increase/ decrease in Company's profit before tax approximately by SAR 1,266,965 and SAR 175,108 for the year ended December 31, 2022, December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

(SAR, except share and per share data, unless otherwise stated)

Notes forming part of the Financial Statements

20 Segments

There is only one reportable business segment viz software consultancy, the results of which are disclosed in the financial statements.

21 Employee benefits:

In 2022, the Company recorded expenses in employee benefits of seniority premium and severance benefits of SAR 1,770,773 (2021 SAR 424,487) in the Statement of Profit and Loss. The Company believes any differences between its calculation of employee benefits of seniority premium and severance benefits and a calculation provided by an independent actuary would not be material.

22 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	1.02	1.01	1.10%
Debt-equity ratio (in times)[1]	Debt including and lease liabilities	Total Equity	-	0.13	NA
Debt service coverage ratio (in times)1	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	1,106.22	(1.61)	NA
Return on equity ratio (in %)2	Profit for the year less preference dividend	Average total equity	76.01%	34.13%	122.69%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	2.70	2.17	24.01%
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Average trade payables	2.44	2.00	22.24%
Net capital turnover ratio (in times) 2	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	2.42	1.52	59.38%
Net profit ratio (in %)	Profit for the year	Revenue from operations	1.05%	1.32%	-20.09%
Return on capital employed (in %)2	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	69.82%	43.19%	61.65%

1 Due to lease liability payment made in Yr 2022

2 Increase in revenue from operations and increased collections

23 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

24 The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

25 Figures of Previous years are regrouped and reclassified wherever necessary

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For K. S. Bhatia & Associates
Chartered Accountants
(FRN No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
Place: Saudi
Date: January 30, 2023

For and on behalf of the Board

Gautam Khanna
Authorised Signatory

Place: Saudi
Date: January 30, 2023

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES ROMANIA SRL

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Romania SRL ("The Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTN1158

Mumbai, February 1, 2023

Hexaware Technologies Romania SRL

Registered Office: Str. GRIGORE COBALCESCU 46, CAMERA 12, Etaj 2, 10196 Bucuresti Sectorul 1, Bucharest, Romania

(RON, unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	-
Total non-current assets		**-**	**-**
Current assets			
Financial assets:			
Cash and cash equivalents	5	123,639	123,663
Total current assets		**123,639**	**123,663**
TOTAL ASSETS		**123,639**	**123,663**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	112,500	112,500
Other equity		(8,042,513)	(8,028,837)
Total equity		**(7,930,013)**	**(7,916,337)**
Current liabilities			
Financial liabilities:			
Trade payables			
Dues of micro enterprises and small enterprises	7A	-	-
Dues of other than micro enterprises and small enterprises	7B	8,053,652	8,040,000
Total current liabilities		**8,053,652**	**8,040,000**
TOTAL EQUITY AND LIABILITIES		**123,639**	**123,663**

The accompanying notes 1 to 15 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: 1 February, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Date: 1 February, 2023

Hexaware Technologies Romania SRL

Registered Office: Str. GRIGORE COBALCESCU 46, CAMERA 12, Etaj 2, 10196 Bucuresti Sectorul 1, Bucharest, Romania

(RON, unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Exchange rate difference (net)		1,509	(131,596)
Other income	8	-	6,278
TOTAL INCOME		**1,509**	**(125,318)**
EXPENSES			
Operating and other expenses	9	15,185	26,719
TOTAL EXPENSES		**15,185**	**26,719**
LOSS FOR THE YEAR		**(13,676)**	**(152,037)**
Basic Earnings per share (In RON)			
Basic and Diluted	10	(1.22)	(13.51)

The accompanying notes 1 to 15 form an integral part of the financial statements.
As per our report of even date attached

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: 1 February, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh
Director

Date: 1 February, 2023

Hexaware Technologies Romania SRL

Registered Office: Str. GRIGORE COBALCESCU 46, CAMERA 12, Etaj 2, 10196 Bucuresti Sectorul 1, Bucharest, Romania

(RON, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
112,500	-	112,500

Balance as at January 01, 2021	Changes in equity share capital during the year	Balance as at December 31, 2021
112,500	-	112,500

B. OTHER EQUITY

	Reserves and surplus	Other comprehensive income	Total equity
	Retained earnings		
Balance as at January 01, 2022	(8,028,837)	-	(8,028,837)
Loss for the year	(13,676)	-	(13,676)
Total comprehensive income for the year	**(13,676)**	-	**(13,676)**
Balance as at December 31, 2022	**(8,042,513)**	-	**(8,042,513)**
Balance as at January 01, 2021	(7,876,800)	-	(7,876,800)
Loss for the year	(152,037)	-	(152,037)
Total comprehensive income for the year	**(8,028,837)**	-	**(8,028,837)**
Balance as at December 31, 2021	**(8,028,837)**	-	**(8,028,837)**

The accompanying notes 1 to 15 form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: 1 February, 2023

Amrinder Singh
Director
Date: 1 February, 2023

Hexaware Technologies Romania SRL

Registered Office: Str. GRIGORE COBALCESCU 46, CAMERA 12, Etaj 2, 10196 Bucuresti Sectorul 1, Bucharest, Romania

(RON, unless otherwise stated)

Statement of Cash Flows for the year ended December 31, 2022	**For the year ended December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Net (loss) before tax	**(13,676)**	**(152,037)**
Adjustments for:		
Exchange rate difference (net) - unrealised	24	(2,013)
Operating loss before working capital changes	**(13,652)**	**(154,050)**
Adjustments for:		
Trade payables, other liabilities and provisions	13,652	154,050
Cash generated from operations	**-**	**-**
Direct taxes paid (net)	-	-
Net cash generated from operating activities	**-**	**-**
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	123,663	121,650
Exchange difference on translation of foreign currency cash and cash equivalents	(24)	2,013
Cash and cash equivalents at the end of the year (Refer to note 5)	**123,639**	**123,663**

The accompanying notes 1 to 15 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: 1 February, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Date: 1 February, 2023

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies Romania SRL, incorporated on 28th September 2016 under the laws of Romania, is a subsidiary of Hexaware Technologies UK Limited. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in RON, which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2 Significant Accounting Policies *(Continued)*

2.3.2 Others

Other areas involving estimates relates to provision for the doubtful debts and useful lives of Property Plant and Equipment.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised as the service is performed using the percentage of completion method.

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

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2 Significant Accounting Policies *(Continued)*

2.8 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.9 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years
Leasehold Improvements	Over the lease period

Leasehold Improvements are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.10 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

2.13 Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

2 Significant Accounting Policies *(Continued)*

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021, have been made to the extent they are applicable to the Company.

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

4 Property, plant and equipment

	Plant and Machinery [1]	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost as at January 01, 2022	-	-	-	-	-
Cost as at December 31, 2022	-	-	-	-	-
Accumulated depreciation as at January 01, 2022	-	-	-	-	-
Accumulated depreciation as at December 31, 2022	-	-	-	-	-
Net carrying amount as at December 31, 2022	-	-	-	-	-
Cost as at January 01, 2021	279,462	853,919	550,938	174,513	1,858,832
(Disposals) / (Adjustments)	(279,462)	(853,919)	(550,938)	(174,513)	(1,858,832)
Cost as at December 31, 2021	-	-	-	-	-
Accumulated depreciation as at January 01, 2021	279,462	853,919	550,938	174,513	1,858,832
(Disposals) / (Adjustments)	(279,462)	(853,919)	(550,938)	(174,513)	(1,858,832)
Accumulated depreciation as at December 31, 2021	-	-	-	-	-
Net carrying amount as at December 31, 2021	-	-	-	-	-

Note:

1 Plant and machinery includes computer systems.

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

6 Equity

	As at December 31, 2022	As at December 31, 2021
6.1 Authorised capital		
11,250 Equity shares of RON 10/- each	112,500	112,500

	As at December 31, 2022	As at December 31, 2021
6.2 Issued, subscribed and paid-up capital		
11,250 Equity shares of RON 10/- each	112,500	112,500

	As at December 31, 2022	As at December 31, 2021
6.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	11,250	11,250
Shares issued during the year	-	-
Shares outstanding at the end of the year	**11,250**	**11,250**

6.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of RON 10 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.

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

	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	Nos. of Shares held	% of holding	Nos. of Sh	% of holding
Hexaware Technologies UK Limited	10,125	90%	10,125	90%
Hexaware Technologies GmbH	1,125	10%	1,125	10%
	11,250	100%	11,250	100%

6.6 Details of shares held by Promoters

	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	Nos. of Shares held	% of holding	Nos. of Sh	% of holding
Hexaware Technologies UK Limited	10,125	90%	10,125	90%
Hexaware Technologies GmbH	1,125	10%	1,125	10%
	11,250	100%	11,250	100%

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

5 Cash and bank balances

Cash and cash equivalents	**As at December 31, 2022**	**As at December 31, 2021**
In current accounts with banks	123,639	123,663
	123,639	**123,663**

7 Trade payables

	As at December 31, 2022	**As at December 31, 2021**
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	8,053,652	8,040,000
Total	**8,053,652**	**8,040,000**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	-	15,185	26,719	31,546	7,980,202	8,053,652
	-	15,185	26,719	31,546	7,980,202	8,053,652

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	17,119	9,600	31,546	212,644	7,769,091	8,040,000
	17,119	9,600	31,546	212,644	7,769,091	8,040,000

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Miscellaneous income	-	6,278
Total	**-**	**6,278**

9 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Legal and professional fees	15,185	26,719
		-
Total	**15,185**	**26,719**

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

10 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted earnings per share (EPS) were as follows::		
Net loss after tax (IN RON)	(13,676.00)	(152,037)
Weighted average outstanding equity shares considered for basic EPS	11,250	11,250
Basic and diluted earnings per share	(1.22)	(13.51)

11 Related party disclosures

(a) Names of related parties

	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited (upto November 10,2021)	Mauritius
HT Global Holdings B.V. - till November 10, 2021	Netherlands
Hexaware Technologies Limited	India
CA Magnum Holdings (w.e.f. November 10, 2021)	Mauritius
Holding Company	
Hexaware Technologies UK Limited	UK

Key Management Personnel (KMP)

Mr Amrinder Singh

(b) Related Party Transactions:

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	December 31, 2021
			RON	RON
1	**Expenditure:**			
	Reimbursement of Costs	Holding Company	15,185	26,719

(c) Outstanding Balances

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	December 31, 2021
			RON	RON
1	Sundry Creditors	Holding Company	8,053,652	8,040,000

12 Financial Instruments

Category of financials instrument

All financial instruments are measured at amortised cost. Carrying amount of cash and cash equivalents and liabilities approximate the fair value because of their short term nature.

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 observed and the significance of the inputs to the fair value measurements in its entirely, 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

12.1 The carrying value / fair value of financial instruments by categories is as follows:

December 31, 2022	**Amortized cost**	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Derivative instrument in hedging relationship**	**Total carrying / fair value**
Cash and cash equivalents	123,639	-	-	-	123,639
Total	**123,639**	**-**	**-**	**-**	**123,639**
Trade payables	8,053,652	-	-	-	8,053,652
Total	**8,053,652**	**-**	**-**	**-**	**8,053,652**

The carrying value / fair value of financial instruments by categories is as follows:

December 31, 2021	**Amortized cost**	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Derivative instrument in hedging relationship**	**Total carrying / fair value**
Cash and cash equivalents	123,663	-	-	-	123,663
Total	**123,663**	**-**	**-**	**-**	**123,663**
Trade payables	8,040,000	-	-	-	8,040,000
Total	**8,040,000**	**-**	**-**	**-**	**8,040,000**

Notes

1 Carrying amount of cash and cash equivalents and trade payables 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 period presented.

12 Financial Instruments (continued)

12.2 Financial risk management

The Company has identified the risks under verticals like foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) **Foreign Currency fluctuations Risk**

Foreign exchange fluctuations is one of the key risks impacting our business. The Company's transactions are predominantly in RON and incurs foreign currency risk on transactions that are denominated by currency other than RON such as EUR. The company do not hedge any currency exposures.

AMOUNT IN RON

The following table analyses foreign currency risk from financial instruments as at December 31, 2022 & 2021:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2022			
EUR	123,639	8,053,652	(7,930,013)

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
EUR	123,663	8,040,000	(7,916,337)

10% depreciation /(appreciation) of the respective foreign currencies with respect to functional currency of the Company would result in the increase/ (decrease) in Company's loss approximately by RON 793,001 and RON 791,634 for the year ended December 31, 2022 and December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

12 Financial Instruments (continued)

(ii) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by maintaining high cash / bank balances.

As at December 31, 2022, the Company had total cash / bank balance of RON 123,663 which constitutes approximately 100% of total assets. The Company does not have any debt and thus manages its liquidity from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Trade and other payables	8,053,652	-	-	-	8,053,652
Total	**8,053,652**	**-**	**-**	**-**	**8,053,652**

As at December 31, 2021	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Trade and other payables	8,040,000	-	-	-	8,040,000
Total	**8,040,000**	**-**	**-**	**-**	**8,040,000**

(iii) Interest rate risk

The Company does not have any debt. Hence, the Company is not exposed to interest rate risk.

Hexaware Technologies Romania SRL

(RON, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

13 Segments

There is only one reportable business segment viz software consultancy, the results of which are disclosed in the financialstatements.

14 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	0.02	0.02	1.00
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	-	-	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	-	-	-
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	0.00	0.02	0.09
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	-	-	-
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtful debts)	Average trade payables	-	-	-
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	-	-	-
Net profit ratio (in %)	Profit for the year	Revenue from operations	-	-	0%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	0.17%	1.92%	-91%

15 Other updates

A Material events after Balance Sheet date:

There is no significant event after reporting date which requires amendments or disclosure to these financial statements.

B Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on 1 February, 2023.

The accompanying notes 1 to 15 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

Kaushik Bhatia

Proprietor

Membership number: 046908

Date: 1 February, 2023

For and on behalf of the Board

Amrinder Singh

Director

Date: 1 February, 2023

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES LIMITED LIABILITY COMPANY

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Limited Liability Company ("The Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTR4019

Mumbai, February 2, 2023

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	-	313,048
Right-of-use assets	4	-	6,273,913
Other intangible assets	6	-	537,011
Financial assets:			
Other financial assets	7A	-	197,460
Total non-current assets		**-**	**7,321,432**
Current assets			
Financial assets:			
Trade receivables			
Billed	9	(24,423)	3,750,095
Unbilled		24,423	1,891,344
Cash and cash equivalents	10	6,025,944	9,965,689
Other financial assets	7B	23,156	157,939
Other current assets	8	-	304,742
Total current assets		**6,049,100**	**16,069,809**
TOTAL ASSETS		**6,049,100**	**23,391,241**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	157,226,724	157,226,724
Other equity		(152,175,713)	(144,168,622)
Total equity		**5,051,011**	**13,058,102**
Non-current liabilities			
Financial liabilities:			
Lease liabilities	21	-	5,450,353
Total non-current liabilities		**-**	**5,450,353**
Current liabilities			
Financial liabilities:			
Lease liabilities	21	-	1,729,706
Trade payables		-	3,692
Other financial liabilities	12	-	467,456
Other current liabilities	14	507,700	1,540,359
Provisions			
Employee benefit obligations in respect of compensated absences and others		490,389	1,141,573
Total current liabilities		**998,089**	**4,882,786**
Total liabilities		**998,089**	**10,333,139**
TOTAL EQUITY AND LIABILITIES		**6,049,100**	**23,391,241**

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Technologies Limited Liability Company

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

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Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	15	16,721,568	14,611,288
Exchange rate difference (net)		325	602,036
Other income	16	1,412,123	602,954
TOTAL INCOME		**18,134,016**	**15,816,278**
EXPENSES			
Employee benefits expense	17	23,847,635	21,065,229
Finance costs	19	190,052	296,705
Depreciation and amortisation expense	4,5	1,449,817	1,891,686
Operating and other expenses	18	653,603	1,259,251
TOTAL EXPENSES		**26,141,107**	**24,512,871**
LOSS BEFORE TAX		**(8,007,091)**	**(8,696,593)**
Tax expense			
LOSS FOR THE YEAR		**(8,007,091)**	**(8,696,593)**
OTHER COMPREHENSIVE INCOME (OCI)			
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(8,007,091)**	**(8,696,593)**

The accompanying notes 1 to 26 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Hexaware Technologies Limited Liability Company

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

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Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL	**As at December 31, 2022**	**As at December 31, 2021**
Outstanding at the beginning of the period	157,226,724	157,226,724
Changes in equity share capital during the period	-	
Outstanding at the end of the period	**157,226,724**	**157,226,724**

B. OTHER EQUITY

	Reserves and surplus	**Total equity**
	Retained earnings	
Balance as at January 01, 2022	(144,168,622)	(144,168,622)
Loss for the year	(8,007,091)	(8,007,091)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	**(152,175,713)**	**(152,175,713)**
Balance as at December 31, 2022	**(152,175,713)**	**(152,175,713)**
Balance as at January 01, 2021	(135,472,029)	(135,472,029)
Loss for the year	(8,696,593)	(8,696,593)
Other comprehensive income / (losses) (net of tax)	-	-
Total comprehensive income	**(144,168,622)**	**(144,168,622)**
Balance as at December 31, 2021	**(144,168,622)**	**(144,168,622)**

The accompanying notes 1 to 26 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Technologies Limited Liability Company

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)	For the year ended	
Statement of Cash Flows for the year ended December 31, 2022	**December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Loss before tax	**(8,007,091)**	**(8,696,593)**
Adjustments for:		
Depreciation and amortization expense	1,449,817	1,891,686
Interest income	(847,868)	(602,954)
Profit on sale of property, plant and equipment (PPE) (net)	(252,376)	-
Finance costs	(190,052)	(296,705)
Operating Loss before working capital changes	**(7,847,570)**	**(7,704,566)**
Adjustments for:		
Trade receivables and other assets	(6,157,500)	(3,677,511)
Trade payables, other liabilities and provisions	2,154,991	2,250,677
Cash generated from operations	**(11,850,079)**	**(9,131,400)**
Direct taxes paid (net)	-	-
Net cash generated from operating activities	**(11,850,079)**	**(9,131,400)**
Cash flow from investing activities		
Purchase of PPE and intangible assets including CWIP and capital advances	-	(1,601,844)
Proceeds from sale of property, plant and equipment	(252,376)	-
Interest received	982,651	615,227
Net cash (used in) / generated from investing activities	**730,275**	**(986,617)**
Cash flow from financing activities		
Payment of lease liabilities	7,180,059	-
Interest paid	-	-
Net cash used in from financing activities	**7,180,059**	**-**
Net increase in cash and cash equivalents	**(3,939,745)**	**(10,118,017)**
Cash and cash equivalents at the beginning of the year	9,965,689	20,083,706
Cash and cash equivalents at the end of the year	**6,025,944**	**9,965,689**

The accompanying notes 1 to 26 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates	**Hexaware Technologies Limited Liability Company**
Chartered Accountants	
(Firm's Registration No. 158315W)	
Kaushik S. Bhatia	**Shyam J Mansukhani**
Proprietor	Authorised Signatory
(Membership No. 046908)	

Place Mumbai
Date: February 02 2023

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies LLC is a Limited Liability Company domiciled in Tver, Russia incorporated on 14th October 2015. The Company is engaged in providing business process outsourcing / Call center services. It operates in various service lines like Human Resource outsourcing, Healthcare outsourcing, Finance/ Accounts Management and Knowledge Process Outsourcing. The Company is the Wholly Owned subsidiary of Hexaware Technologies Ltd India.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Rubbles (RUB) which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is India though the Company also files tax returns in overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2 Significant Accounting Policies *(Continued)*

2.4 Revenue Recognition

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 a 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.

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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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(Rubles, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.5 Leases (Continued)

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company has made use of the following pratical expedients available while applying Ind AS 116 -
- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognized the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease mo

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

The Company contribtues to the employee benefit Scheme as per the Labour Law Regulations as applicable in Russian Republic.
For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.8 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2 Significant Accounting Policies *(Continued)*

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Intangible assets and amortisation

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years
Customer contracts / relations	5 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2 Significant Accounting Policies *(Continued)*

2.14 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

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3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1st, 2022, as below:

Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the interim condensed financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

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4 Right-of-use assets

	Office premises 1	Total
Cost as at January 01, 2022	9,718,458	9,718,458
Additions	-	-
Remeasurement	-	-
Cost as at December 31, 2022	**9,718,458**	**9,718,458**
Accumulated amortization as at January 01, 2022	3,444,545	3,444,545
Amortisation for the year	1,201,383	1,201,383
Remeasurement / adjustment	5,072,530	5,072,530
Accumulated amortization as at December 31, 2022	**9,718,458**	**9,718,458**
Net carrying amount as at December 31, 2022	**-**	**-**
Cost as at January 01, 2021	9,718,458	9,718,458
Additions	-	-
Remeasurement	-	-
Cost as at December 31, 2021	**9,718,458**	**9,718,458**
Accumulated amortization as at January 01, 2021	1,842,701	1,842,701
Amortisation for the year	1,601,844	1,601,844
Remeasurement	-	-
Accumulated amortization as at December 31, 2021	**3,444,545**	**3,444,545**
Net carrying amount as at December 31, 2021	**6,273,913**	**6,273,913**

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5 Property, plant and equipment

	Plant and Machinery 1	Furniture and Fixtures	Office Equipment	Total
Cost as at January 01, 2022	12,932,790	1,129,059	4,778,298	18,840,147
Additions	-	-	-	-
(Disposals) / (Adjustments)	(7,887,398)	(1,089,401)	(4,724,002)	(13,700,801)
Cost as at December 31, 2022	5,045,392	39,658	54,296	5,139,346
Accumulated depreciation as at January 01, 2022	12,932,790	816,527	4,777,782	18,527,099
Depreciation for the year	-	124,849	516	125,365
(Disposals) / (Adjustments)	(7,887,398)	(901,718)	(4,724,002)	(13,513,118)
Accumulated depreciation as at December 31, 2022	5,045,392	39,658	54,296	5,139,346
Net carrying amount as at December 31, 2022	**-**	**-**	**-**	**-**
Cost as at January 01, 2021	12,932,790	1,129,059	4,778,298	18,840,147
Additions	-	-	-	-
(Disposals) / (Adjustments)	-	-	-	-
Cost as at December 31, 2021	12,932,790	1,129,059	4,778,298	18,840,147
Accumulated depreciation as at January 01, 2021	12,932,790	680,327	4,758,396	18,371,513
Depreciation for the year	-	136,200	19,386	155,586
(Disposals) / (Adjustments)	-		-	-
Accumulated depreciation as at December 31, 2021	12,932,790	816,527	4,777,782	18,527,099
Net carrying amount as at December 31, 2021	**-**	**312,532**	**516**	**313,048**

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6 Intangible assets

	Software licenses	Total
Cost as at January 01, 2022	883,781	883,781
Additions		-
Disposals	(883,781)	(883,781)
Cost as at December 31, 2022	-	-
Accumulated amortization as at January 01, 2022	346,770	346,770
Amortisation for the year	123,068	123,068
Disposals	(469,838)	(469,838)
Accumulated amortization as at December 31, 2022	-	-
Net carrying amount as at December 31, 2022	-	-
Cost as at January 01, 2021	883,781	883,781
Additions	-	-
Disposals	-	-
Cost as at December 31, 2021	883,781	883,781
Accumulated amortization as at January 01, 2021	212,514	212,514
Amortisation for the year	134,256	134,256
Disposals	-	-
Accumulated amortization as at December 31, 2021	346,770	346,770
Net carrying amount as at December 31, 2021	537,011	537,011

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7 Other financial assets

A Other financial assets – Non-current	**As at December 31, 2022**	**As at December 31, 2021**
Security deposits for premises and others	-	197,460
Total	**-**	**197,460**

B Other financial assets – Current	**As at December 31, 2022**	**As at December 31, 2021**
Interest accrued on bank deposits	23,156	157,939
Total	**23,156**	**157,939**

8 Other assets

Other assets – Current	**As at December 31, 2022**	**As at December 31, 2021**
Prepaid expenses	-	304,742
Indirect taxes recoverable	-	-
Total	**-**	**304,742**

9 Trade receivables

A Trade receivables - Billed - Current (Unsecured)	**As at December 31, 2022**	**As at December 31, 2021**
Considered good	(24,423)	3,750,095
Considered doubtful	-	-
Total	**(24,423)**	**3,750,095**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	(24,423)	-	-	-	-	-	**(24,423)**
	(24,423)	-	-	-	-	-	(24,423)
Less - Allowance for Doubtful trade receivable							-
							(24,423)
Unbilled receivables							24,423
							-

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	3,750,095					**3,750,095**
	-	3,750,095	-	-	-	-	3750095
Less - Allowance for Doubtful trade receivable							-
							3,750,095
Unbilled receivables							1,891,344
							5,641,439

The activity in the allowance for doubtful debts is given below:	**As at December 31, 2022**	**As at December 31, 2021**
Balance at the beginning of the year	-	-
Additions during the year, gross	-	-
Amounts recovered during the year	-	-
Translation exchange difference	-	-
	-	**-**

10 Cash and bank balances

Cash and cash equivalents	**As at December 31, 2022**	**As at December 31, 2021**
In current accounts with banks	275,944	5,689
Bank deposit accounts with less than 3 months maturity	5,750,000	9,960,000
Total	**6,025,944**	**9,965,689**

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

11 Equity

11.1 Authorised capital	**As at December 31, 2022**	**As at December 31, 2021**
Charter Share Capital USD 22,00,000	157,226,724	157,226,724

11.2 Issued, subscribed and paid-up capital	**As at December 31, 2022**	**As at December 31, 2021**
Charter share Capital	157,226,724	157,226,724

11.3 Rights, preferences and restrictions attached to equity shares

The entire share capital is held by Hexaware Technologies Ltd India, the Holding Company since incorporation.The Company has one class of equity shares having no par value. 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.

11.4 Details of shares held by promoters		**As at December 31, 2022**	**As at December 31, 2021**
Name of the shareholder			
Hexaware Technologies Limited India	% of holding	100%	100%

12 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	-	467,456
Total	**-**	**467,456**

13 Trade payables

	As at December 31, 2022	As at December 31, 2021
Trade payables	-	911
Accrued expenses	-	2,781
Total	**-**	**3,692**

Ageing for trade payables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-
							-
Accrued Expenses							-
							-

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables	-	911					**911**
	-	911	-	-	-	-	911
Accrued Expenses							2,781
							3,692

14 Other liabilities

	As at December 31, 2022	As at December 31, 2021
Other liabilities - Current		
Statutory liabilities	507,700	1,540,359
Total	**507,700.00**	**1,540,359.00**

15 Revenue

15.1 Revenue disaggregation by contract type is as follows:

	As at December 31, 2022	As at December 31, 2021
Geography		
APAC	16,721,568	14,611,288
Total	**16,721,568**	**14,611,288**

15.2 Disaggregated revenue with the customers by Geography is as under :

	As at December 31, 2022	As at December 31, 2021
Offshore	100%	100%
Total revenue from operations	**100%**	**100%**

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

15.2 Changes in Contract Liabilities / Unearned revenues are as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Balance as at the beginning of the year	-	598,199
Revenue recognised during the year		(598,199)
Additions during the year		-
Balance as at the end of the year	**-**	**-**

16 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Interest income	847,868	602,954
Profit / (loss) on sale of property, plant and equipment (net)	(252,376)	-
Miscellaneous income	816,631	-
Total	**1,412,123**	**602,954**

17 Employee benefits expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Salary and allowances	19,184,428	16,561,078
Contribution to provident, other funds and benefits	4,606,758	4,426,683
Staff welfare expenses	56,449	77,468
Total	**23,847,635**	**21,065,229**

18 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Rates and taxes	61,653	33,870
Travelling and conveyance	-	1,980
Electricity charges	447,573	479,385
Communication expenses	254,518	256,060
Repairs and maintenance	110,790	488,231
Printing and stationery	5,780	16,293
Legal and professional fees	15,000	-
Bank and other charges	42,641	40,935
Staff recruitment expenses	12,036	24,772
Miscellaneous expenses	(296,388)	(82,275)
Total	**653,603**	**1,259,251**

19 Finance costs

	For the year ended	
	December 31, 2022	**December 31, 2021**
Interest on lease liabilities	190,052	296,705
Total	**190,052**	**296,705**

20 Related party disclosures

A Names of related parties

	Country
Ultimate Holding Company and it's subsidiaries	
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company (control exists)	
Hexaware Technologies Limited	India

B Key Management Personnel (KMP)

Shyam Mansukhani

Transactions	December 31,2022	December 31,2021
Subscription to Capital by Holding Company		
Hexaware Technologies Limited,India Holding Company	157,226,724	157,226,724

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

21 Financial Instruments

(i) The carrying value / fair value of financial instruments (other than investment in subsidiaries and associates) by categories as at December 31, 2022 is as follows

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying / fair value
Cash and cash equivalents	6,025,944	-	-	6,025,944
Trade receivables	(24,423)	-	-	(24,423)
Unbilled receivables	24,423	-	-	24,423
Other financial assets	23,156	-	-	23,156
Total	**6,049,100**	**-**	**-**	**6,049,100**
Trade payables	-	-	-	-
Lease liabilities	-	-	-	-
Other financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

(ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying / fair value
Cash and cash equivalents	9,965,689	-	-	9,965,689
Trade receivables	3,750,095	-	-	3,750,095
Unbilled receivables	1,891,344	-	-	1,891,344
Other financial assets	355,399	-	-	355,399
Total	**15,962,527**	**-**	**-**	**15,962,527**
Trade payables	3,692	-	-	3,692
Lease liabilities	7,180,059	-	-	7,180,059
Other financial liabilities	467,456	-	-	467,456
Total	**7,651,207**	**-**	**-**	**7,651,207**

Hexaware Technologies Limited Liability Company

(Rubles, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

22 Employee benefits:
The Company, during the year 2022 contributed RUB 46,06,758 (Previous year RUB 44,26,683) towards various other defined contribution plans and benefits as per laws of the country.

23 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)[1]	Total Current Assets	Total Current Liability	6.06	3.29	84.15%
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.00	0.55	-100.00%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	(0.89)	NA	NA
Return on equity ratio (in %)2	Profit for the year less preference dividend	Average total equity	(1.59)	(0.50)	217.29%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	5.93	3.83	54.95%
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Average trade payables	354.06	7.06	4918.18%
Net capital turnover ratio (in times)4	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	2.06	0.94	118.03%
Net profit ratio (in %)	Profit for the year	Revenue from operations	(0.48)	(0.60)	-20%
Return on capital employed (in %)5	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	(1.55)	(0.42)	272.87%

1 Due to no trade receivables and less cash balance in Yr 2022
2 Due to less loss in Yr 2022 compared to Yr 2021
3 Due to minimal trade payable in Yr 2022
4 Due to increase in revenue
5 Due to lease liability in yr 2021

24 The company has disposed the majority of assets and accounted the necessary profit/loss on the same.The company has initiated winding up and process for liquidation will commence soon.

25 Material events after Balance Sheet date:
There is no significant event after reporting date which requires amendments or disclosure to these financial statements.

26 Figures of Previous years are regrouped and reclassified wherever necessary

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As per our report of even date attached
For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Technologies Limited Liability Company

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES HONG KONG LIMITED

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Hong Kong Limited ("The Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTM6974

Mumbai, January 31, 2023

Hexaware Technologies Hong Kong Limited

Registered Office: Room 1906 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hongkong

Financial Statements under Indian Accounting Standards (Ind AS) as at December 31, 2022

Index **Page No**

Hexaware Technologies Hong Kong Limited

Registered Office: Room 1906 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hongkong

(HKD, except share and per share data, unless otherwise stated)

Balance Sheet as at December 31, 2022

		As at	
	Note No.	**December 31, 2022**	**December 31, 2021**
ASSETS			
Current assets			
Financial assets:			
Trade receivables	4	557,480	1,655,465
Unbilled receivables		308,015	354,685
Cash and cash equivalents	5	6,787,254	5,722,789
Income tax assets (net)		870,649	654,104
Total current assets		**8,523,398**	**8,387,043**
TOTAL ASSETS		**8,523,398**	**8,387,043**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	1,945,000	1,945,000
Other equity		6,173,647	5,935,113
Total equity		**8,118,647**	**7,880,113**
Current liabilities			
Financial liabilities:			
Trade payables	8	48,522	75,873
Other financial liabilities	7	69,153	138,153
Other current liabilities	9	-	42,001
Provisions			
Employee benefit obligations in respect of compensated absences and others	10	287,076	250,903
Total current liabilities		**404,751**	**506,930**
Total liabilities		**404,751**	**506,930**
TOTAL EQUITY AND LIABILITIES		**8,523,398**	**8,387,043**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates

Chartered Accountants

FRN:158315W

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BHATIA

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Kaushik Bhatia

Proprietor

Partner [Mem No; 046908]

Place : Mumbai

Date : 31st January, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

Hexaware Technologies Hong Kong Limited

Registered Office: Room 1906 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hongkong

(HKD, except share and per share data, unless otherwise stated)

Statement of Profit And Loss as at December 31, 2022

		For the year ended	
	Note No.	**December 31, 2022**	**December 31, 2021**
INCOME			
Revenue from operations	11	3,884,558	4,913,757
Other income	12	18,817	(842)
TOTAL INCOME		**3,903,375**	**4,912,915**
EXPENSES			
Employee benefits expense	13	2,854,854	3,497,800
Other expenses	14	633,408	1,129,859
TOTAL EXPENSES		**3,488,262**	**4,627,659**
PROFIT BEFORE TAX		**415,113**	**285,256**
Tax expense			
Current tax		176,579	(27,076)
Deferred tax charge / (credit)		-	-
Total tax expense		**176,579**	**(27,076)**
PROFIT FOR THE YEAR		**238,534**	**312,332**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**238,534**	**312,332**
Earnings per equity share	15		
Basic and Diluted		0.12	0.16

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates

Chartered Accountants

FRN:158315W

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Kaushik Bhatia

Proprietor

Partner [Mem No; 046908]

Place : Mumbai

Date : 31st January, 2023

For and on behalf of the Board

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

Hexaware Technologies Hong Kong Limited

Registered Office: Room 1906 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hongkong

(HKD, except share and per share data, unless otherwise stated)

Statement of Changes in Equity as at December 31, 2022

	As at December 31, 2022	As at December 31, 2021
A. EQUITY SHARE CAPITAL		
Outstanding at the beginning of the period	1,945,000	1,945,000
Changes in equity share capital during the period	-	-
Outstanding at the end of the period	**1,945,000**	**1,945,000**

OTHER EQUITY

	Reserves and surplus Retained earnings	Total equity
Balance as at January 1, 2022	5,935,113	5,935,113
Profit for the year	238,534	238,534
Balance as at December 31, 2022	**6,173,647**	**6,173,647**
Balance as at January 1, 2021	5,622,781	5,622,781
Profit for the year	312,332	312,332
Balance as at December 31, 2021	**5,935,113**	**5,935,113**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates

Chartered Accountants

FRN: 158315W

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Kaushik Bhatia

Proprietor

Partner [Mem No; 046908]

Place : Mumbai

Date : 31st January, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Place : United Kingdom

Date : 31st January, 2023

Hexaware Technologies Hong Kong Limited

Registered Office: Room 1906 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hongkong

(HKD, except share and per share data, unless otherwise stated)

Statement of Cash Flows as at December 31, 2022

	For the year ended	
	December 31, 2022	**December 31, 2021**
Cash flow from operating activities		
Profit before tax	415,113	285,256
Interest income	(103)	(51)
Operating profit before working capital changes	**415,010**	**285,205**
Adjustments for:		
Trade receivables and other assets	1,144,655	(277,403)
Trade payables, other liabilities and provisions	(102,179)	(7,518,625)
Cash generated from operations	**1,457,486**	**(7,510,823)**
Direct taxes paid (net)	(393,124)	(487,356)
Net cash generated from / (used in) operating activities	**1,064,362**	**(7,998,179)**
Cash flow from investing activities		
Interest received	103	51
Net cash generated from investing activities	**103**	**51**
Net increase in cash and cash equivalents	**1,064,465**	**(7,998,128)**
Cash and cash equivalents at the beginning of the year	5,722,789	13,720,917
Cash and cash equivalents at the end of the year	**6,787,254**	**5,722,789**
(Refer to note 5)		

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
FRN:158315W

KAUSHIK SHANTIKUMAR BHATIA

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Date: 2023.01.31 20:35:40 +05'30'

Kaushik Bhatia
Proprietor
Partner [Mem No; 046908]

Place : Mumbai

Date : 31st January, 2023

For and on behalf of the Board

Amrinder Singh
Director

Place : United Kingdom

Date : 31st January, 2023

Hexaware Technologies Hong Kong Limited

(HKD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements

1 Company overview

Hexaware Technologies Hong Kong Ltd., incorporated on 24th April 2017 under the laws of Hong Kong, is a subsidiary of Hexaware Technologies Limited. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Hong Kong Dollar (HKD) which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

The major tax jurisdictions for the Company is Hong Kong. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(ii) Others

Others areas involving estimates relates to provision for the doubtful debts and useful lives of property, plant and equipment.

2.4 Revenue Recognition

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 (Contract liability). Unbilled receivables (Contract assets) 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.

Contract assets are recognised when there is excess of revenue recognized over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required (only act of invoicing is pending), as per contractual terms.

Unearned / deferred revenue ("Contract liability") is recognised when there are billings in excess of revenues recognized.

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.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Functional and presentation currency

The local accounts are maintained in local and functional currency, which is Hong Kong Dollar (HKD).

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.6 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes viz. contribution to the Mandatory Provident Fund (MPF) are expensed as incurred.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax liability is recognised for all taxable temporary differences arising on property, plant and equipment, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2.8 Impairment

Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.9 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

2.10 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) **Financial liabilities**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.11 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

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Notes to the Financial Statements

4 Trade receivables

A Trade receivables - Current (Unsecured)	**As at December 31, 2022**	**As at December 31, 2021**
Considered good	557,480	1,655,465
Considered doubtful	-	-
Total	**557,480**	**1,655,465**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – considered good (RPT)	295,013	262,467	-	-	-	-	557,480
	295,013	262,467	-	-	-	-	557,480
Less - Allowance for Doubtful trade receivable							-
							557,480
Unbilled receivables							-
							557,480

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	21,953	-	-	-	-	-	21,953
Undisputed trade receivables – considered good (RPT)	349,746	1,074,424	-	-	27,536	181,806	1,633,511
	371,700	1,074,424	-	-	27,536	181,806	1,655,465
Less - Allowance for Doubtful trade receivable							-
							1,655,465
Unbilled receivables							-
							1,655,465

5 Cash and bank balances

Cash and cash equivalents	**As at December 31, 2022**	**As at December 31, 2021**
In current accounts with banks	6,787,254	5,722,789
Total	**6,787,254**	**5,722,789**

6 Equity Share Capital

	As at December 31, 2022	**As at December 31, 2021**
6.1 Authorised capital		
2,000,000 Ordinary Equity shares of HKD 1/- each	2,000,000	2,000,000
6.2 Issued, subscribed and paid-up capital		
	December 31, 2022	**December 31, 2021**
Equity shares of HKD 1/- each	1,945,000	1,945,000
6.3 Reconciliation of number of shares		
	December 31, 2022	**December 31, 2021**
Shares outstanding at the beginning of the period / year	1,945,000	1,945,000
Shares issued during the period / year	-	-
	1,945,000	**1,945,000**

6.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of HKD 1/- 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.

6.5 Rights, preferences and restrictions attached to equity shares

		December 31, 2022	**December 31, 2021**
Name of Shareholder	No. of Shares held	1,945,000	1,945,000
Hexaware Technologies Limited	% of holding	100	100

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(HKD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements

7 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Current		
Employee liabilities	69,153	138,153
Total	**69,153**	**138,153**

8 Trade payables

	As at December 31, 2022	As at December 31, 2021
Trade payables	18,016	-
Accrued expenses	30,506	75,873
Total	**48,522**	**75,873**

Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	18,016	-	-	-	-	18,016
	18,016	-	-	-	-	18,016
Accrued Expenses						30,506
						48,522

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	-	-	-	-	-	-
	-	-	-	-	-	-
Accrued Expenses						75,873
						75,873

9 Other current liabilities

	As at December 31, 2022	As at December 31, 2021
Current		
Employee advances	-	42,001
Total	**-**	**42,001**

10 Provisions

	As at December 31, 2022	As at December 31, 2021
Provisions - Current		
Employee benefit obligations in respect of compensated absences and others	287,076	250,903
Total	**287,076**	**250,903**

Hexaware Technologies Hong Kong Limited

(HKD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements

11 Revenue

11.1 Disaggregated revenue with the customer

	For the year ended December 31, 2022	December 31, 2021
Offshore	0%	13%
Onshore	100%	87%
Total revenue from operations	**100%**	**100%**

11.2 The revenue from contracts as per geography is as under:

	For the year ended December 31, 2022	December 31, 2021
APAC	3,884,558	4,913,757
	3,884,558	**4,913,757**

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(HKD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements

12 Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income	103	51
Exchange rate difference (net)	(23,287)	(893)
Miscellaneous income	42,001	-
Total	**18,817**	**(842)**

13 Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salary and allowances	2,750,296	3,376,369
Contribution to provident, other funds and benefits	103,440	119,087
Staff welfare expenses	1,118	2,344
Total	**2,854,854**	**3,497,800**

14 Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Travelling and conveyance	10,638	(226,190)
Communication expenses	-	782
Repairs and maintenance	-	97
Payment to auditors	12,600	12,600
Legal and professional fees	215,624	307,095
Advertisement and business promotion	-	96
Bank and other charges	23,291	45,895
Insurance charges	37,341	12,320
Sub contracting and other service charges	290,714	921,962
Staff recruitment expenses	43,200	54,000
Miscellaneous expenses	-	1,202
Total	**633,408**	**1,129,859**

Hexaware Technologies Hong Kong Limited

(HKD, except share and per share data, unless otherwise stated)

Notes to the Financial Statements

15 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	238,534	312,332
Weighted average outstanding equity shares considered for basic EPS (Nos.)	1,945,000	1,945,000
Basic earnings per share	0.12	0.16
Weighted average outstanding equity shares considered for basic EPS	1,945,000	1,945,000
Add: Effect of dilutive issue of stock options	-	-
Weighted average outstanding equity shares considered for diluted EPS	1,945,000	1,945,000
Diluted earnings per share	0.12	0.16

16 Related party disclosures

16.1 Names of related parties	**Country**
Ultimate Holding Company and it's subsidiaries	
CA Magnum Holdings (w.e.f. November 11, 2021)	Cayman Island
Holding Company	
Hexaware Technologies Limited, India	India

B Key Management Personnel (KMP)

Director

Mr. Amrinder Mishra

16.2 Nature of Transaction

	For the year ended	
	December 31, 2022	**December 31, 2021**
1) Software and consultancy income		
A Holding Company		
Providing of Service	3,884,558	3,448,222
2) Expenditure		
A Holding Company		
Hexaware Technologies Limited, India	-	554,192
3) Reimbursement of cost to		
A Holding Company		
Hexaware Technologies Limited, India	-	(3,748)

16.3 Closing balance	**As at December 31, 2022**	**As at December 31, 2021**
1) Trade Receivables		
Holding Company:		
Hexaware Technologies Limited, India	557,480	1,633,525
2) Provisions		
Hexaware Technologies Limited	308,015	354,685

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Notes to the Financial Statements

17 Financial instruments

17.1 The carrying value / fair value of financial instruments (other than investment in subsidiaries) by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	6,787,254	-	-	-	6,787,254
Trade receivables	557,480	-	-	-	557,480
Unbilled receivables	308,015	-	-	-	308,015
Total	**7,652,750**	**-**	**-**	**-**	**7,652,750**
Trade payables	48,522	-	-	-	48,522
Other financial liabilities	69,153	-	-	-	69,153
Total	**117,675**	**-**	**-**	**-**	**117,675**

(ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	5,722,789	-	-	-	5,722,789
Trade receivables	1,655,465	-	-	-	1,655,465
Unbilled receivables	354,685	-	-	-	354,685
Total	**7,732,939**	**-**	**-**	**-**	**7,732,939**
Trade payables	75,873	-	-	-	75,873
Other financial liabilities	138,153	-	-	-	138,153
Total	**214,026**	**-**	**-**	**-**	**214,026**

Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, loans, other financial assets, borrowings, deferred consideration, trade payables, lease liabilities and other financial 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 period presented.

17 Financial Instruments (Cont'd)

17.2 Financial risk management

The Company has identified the risks under verticals like client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) Client concentration risk

100% of the revenue of 2022 is generated from 1 client. Any loss or major downsizing by these clients may impact Companys profitability. Further, excessive exposure to particular clients will limit Companys negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of HKD 557,480 and HKD 1,655,465 as at December 31, 2021 and December 31, 2020 respectively.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 6 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables

Top 1 customer dues (including unbilled revenue) contribute 100% of the total outstanding as at December 31, 2022 (100% as at December 31, 2021).

Cash and cash equivalents include current account balances with banks.

17 Financial Instruments (Cont'd)

(iii) Foreign Currency fluctuations Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of Rupee appreciation which is functional currency of the Company vs. the US Dollar, the Euro and other foreign currencies, as largely, the costs incurred are in Indian Rupees and the Revenue/ Inflows are in foreign currencies. The contracts we enter into with our customers tend to run across several years and most of these contracts are at fixed rates, any appreciation in the Indian rupee vis-à-vis foreign currencies will affect our margins.

The Foreign Exchange Risk Management Policy authorized by the Forex Committee of the Board takes these realities into account and authorizes hedging on a systematic basis. These risks have been effectively addressed by the processes and controls laid out in the Foreign Exchange Risk Management Policy. The hedge ratio assigned to the exposures depends on the time horizon in which they fall, the near term exposures get a higher ratio whereas the farther exposures get a lower ratio. This graded approach ensures that hedges are spread across the hedge horizon in a tapered down manner. The exposure as indicated below is net of derivative contracts entered into by the Company.

HKD

The following table analyses foreign currency risk from financial instruments as at December 31, 2022:

	USD	SGD	INR
Net financial assets	-	-	-
Net financial liabilities	-	-	-
Net assets/(liabilities)	-	-	-

HKD

The following table analyses foreign currency risk from financial instruments as at December 31, 2021:

	USD	SGD	INR
Net financial assets	2,817	-	1,996,204
Net financial liabilities	-	-	-
Net assets/(liabilities)	2,817	-	1,996,204

10% depreciation/appreciation of the respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in the increase/ decrease in Company's profit before tax approximately by HKD NIL and HKD 34,901 for the year ended December 31, 2022, December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

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Notes to the Financial Statements

17 Financial Instruments (Cont'd)

(iv) **Liquidity risk**

The Company needs continuous access to funds to meet short and long term strategic investments. The Company inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by improving its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance of HKD 6,787,254 which constitutes 83% of our total assets. The Company does not have any debt.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

		Curr: HKD
As at December 31, 2022	**Less than 1 year**	**Total**
Trade payables	48,522	48,522
Others (Refer note 8)	69,153	69,153
Total	117,675	117,675

		Curr: HKD
As at December 31, 2021	**Less than 1 year**	**Total**
Trade payables	75,873	75,873
Others (Refer note 8)	138,153	138,153
Total	214,026	214,026

(v) **Interest rate risk**

The Company does not have any debt. Hence the Company is not significantly exposed to interest rate risk.

18 Employee benefits plan

Both the employees and the Company make monthly contributions to Provident Fund Plan (MPF) equal to a specified percentage of the covered employee's salary. The Company recognized HKD 103,440/- (Previous Year HKD 119,087/-) for contribution to pension scheme in the statement of profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes and company does not have any further obligation on such plans.

19 Segments

There is only one reportable business segment viz software consultancy, the results of which are disclosed in the financial statements.

20 Material events after Balance Sheet date

There are no significant events after reporting date which requires amendments or disclosure to the financial statements.

21 The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

Hexaware Technologies Hong Kong Limited

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Notes to the Financial Statements

22 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)1	Total Current Assets	Total Current Liability	21.06	16.54	27%
Return on equity ratio (in %)2	Profit for the year less preference dividend	Average total equity	0.05	0.04	41%
Trade receivables turnover ratio (in times)[3]	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	6.97	2.97	135%
Trade payables turnover ratio (in times)[2]	Other operating expenses (net of doubtfull debts)	Average trade payables	10.18	16.92	-40%
Net capital turnover ratio (in times)5	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	0.49	0.64	-24%
Net profit ratio (in %)6	Profit for the year	Revenue from operations	0.11	0.06	84%
Return on capital employed (in %)7	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	0.05	0.04	41%

[1] Current assets more than current liability

[2] No dividend issued

[3] Increase in revenue from operations and increased collections

[4] Outstanding trade payable are less compared to other expenses

[5] Revenue from operations less compared to total current assets and current liabilities

[6] Net profit ratio has improved

[7] Return on capital employed has improved

23 Approval of the financial statements

The financial statements were approved for issue by the Board of Directors on 31 January 2023

Place : Mumbai
Date : 31st January, 2023

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Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES NORDIC AB

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Nordic Ab ("the Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTP7488

Mumbai, February 1, 2023

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current assets			
Financial assets:			
Trade receivables			
Billed	5	6,003,929	6,635,108
Unbilled		5,429	5,429
Cash and cash equivalents	6	4,585,909	2,201,355
Other current assets	7	437,845	16,140
Total current assets		**11,033,112**	**8,858,032**
TOTAL ASSETS		**11,033,112**	**8,858,032**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	4,000,000	1,000,000
Other equity		(2,784,893)	(3,393,546)
Total equity		**1,215,107**	**(2,393,546)**
Current liabilities			
Financial liabilities:			
Trade payables			
Dues of micro enterprises and small enterprises		-	-
Dues of other than micro enterprises and small enterprises	10	5,912,120	6,705,844
Other financial liabilities	9	1,718,198	1,852,174
Other current liabilities	11	983,682	1,452,856
Provisions			
Employee benefit obligations in respect of compensated absences and others		854,005	1,060,704
Income tax liabilities (net)		350,000	180,000
Total current liabilities		**9,818,005**	**11,251,578**
Total liabilities		**9,818,005**	**11,251,578**
TOTAL EQUITY AND LIABILITIES		**11,033,112**	**8,858,032**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	12	20,192,797	22,425,361
Other income	13	(323,385)	(244,965)
TOTAL INCOME		**19,869,412**	**22,180,396**
EXPENSES			
Employee benefits expense	14	12,827,713	15,077,648
Operating and other expenses	15	6,263,046	6,231,828
TOTAL EXPENSES		**19,090,759**	**21,309,476**
PROFIT BEFORE TAX		**778,653**	**870,920**
Tax expense			
Current tax	4	170,000	180,000
Total tax expense		**170,000**	**180,000**
PROFIT FOR THE YEAR		**608,653**	**690,920**
Earnings per equity share:- Basic and diluted (SEK)	16		
Basic		15.22	69.09
Diluted		15.22	69.09

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
1,000,000	**3,000,000**	**4,000,000**

Balance as at January 01, 2021	Changes in equity share capital during the year	Balance as at December 31, 2021
1,000,000	**-**	**1,000,000**

B. OTHER EQUITY

	Reserves and surplus	Other comprehensive income	Total equity
	Retained earnings		
Balance as at January 01, 2022	(3,393,546)	-	(3,393,546)
Profit for the year	608,653	-	608,653
Balance as at December 31, 2022	**(2,784,893)**	**-**	**(2,784,893)**
Balance as at January 01, 2021	(4,084,466)	-	(4,084,466)
Profit for the year	690,920	-	690,920
Balance as at December 31, 2021	**(3,393,546)**	**-**	**(3,393,546)**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)	**For the year ended**	
Statement of Cash Flows for the year ended December 31, 2022	**December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Profit before tax	**778,653**	**870,920**
Adjustments for:		
Trade receivables and other assets	209,474	(1,210,991)
Trade payables, other liabilities and provisions	(1,603,573)	(3,006,929)
Net cash generated from operating activities	**(615,446)**	**(3,347,000)**
Cash flow from investing activities		
Net cash generated from investing activities	-	-
Cash flow from financing activities		
Proceeds from issue of shares	3,000,000	-
Net cash used in from financing activities	**3,000,000**	**-**
Net increase in cash and cash equivalents	**2,384,554**	**(3,347,000)**
Cash and cash equivalents at the beginning of the year	2,201,355	5,548,355
Cash and cash equivalents at the end of the year (Refer to note 6)	**4,585,909**	**2,201,355**

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies Nordic AB, incorporated on 7th September 2017 under the laws of Sweden, is a subsidiary of Hexaware Technologies Limited, India. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Swedish Kroners (SEK), which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is Sweden. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2 Significant Accounting Policies *(Continued)*

2.3.3 Others

Others areas involving estimates relates to provision for the doubtful debts.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.
The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

The Company follows s 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 as per Ind AS 116.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.
Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Impairment

Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

(vi) Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.13 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

4 Income taxes

A Income tax expense is allocated as follows :

	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense as per the Statement of Profit and Loss	170,000	180,000
	170,000	180,000

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before tax	778,653	870,920
Expected tax expense at the enacted tax rate of 20.6% (Previous year 20.6%) in Sweden	160,403	179,410
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Others	9,597	590
	170,000	180,000

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

5 Trade receivables

A Trade receivables - Billed - Current (Unsecured)	As at December 31, 2022	As at December 31, 2021
Considered good	6,003,929	6,635,108
Total	**6,003,929**	**6,635,108**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	4,245,085	1,713,951	-	-	-	-	5,959,036
Undisputed trade receivables – considered good (RPT)	44,893	-	-	-	-	-	44,893
	4,289,978	1,713,951	-	-	-	-	6,003,929
Less - Allowance for Doubtful trade receivable							-
							6,003,929
Unbilled receivables							5,429
							6,009,358

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	4,229,961	2,046,261	-	-	-	-	6,276,222
Undisputed trade receivables – considered good (RPT)	225,396	133,490	-	-	-	-	358,886
	4,455,357	2,179,751	-	-	-	-	6,635,108
Less - Allowance for Doubtful trade receivable							-
							6,635,108
Unbilled receivables							5,429
							6,640,537

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

6 Cash and bank balances

Cash and cash equivalents	**As at December 31, 2022**	**As at December 31, 2021**
In current accounts with banks	4,585,909	2,201,355
Total	**4,585,909**	**2,201,355**

7 Other assets

Other assets – Current	**As at December 31, 2022**	**As at December 31, 2021**
Prepaid expenses	24,825	-
Employee advances	132,233	16,140
Contracts assets	258,534	-
Others	22,253	-
Total	**437,845**	**16,140**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Equity

	As at December 31, 2022	As at December 31, 2021
8.1 Authorised capital		
40,000 Equity shares of SEK 100/- each (10,000 Equity shares of SEK 100/- each in 2021)	4,000,000	1,000,000

	As at December 31, 2022	As at December 31, 2021
8.2 Issued, subscribed and paid-up capital		
40,000 EQUITY SHARES OF SEK 100/- EACH FULLY PAID (10,000 Equity shares of SEK 100/- each in 2021)	4,000,000	1,000,000

	As at December 31, 2022	As at December 31, 2021
8.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	10,000	10,000
Shares issued during the year	30,000	-
Shares outstanding at the end of the year	**40,000**	**10,000**

8.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of SEK 100 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.

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

Name of the shareholder		As at December 31, 2022	As at December 31, 2021
Hexaware Technologies Limited	No. of shares held	40,000	10,000
	% of holding	100%	100%

8.6 Details of shares held by promoters

Name of the shareholder		As at December 31, 2022	As at December 31, 2021
Hexaware Technologies Limited	No. of shares held	40,000	10,000
	% of holding	100%	100%

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

9 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	1,718,198	1,852,174
Total	**1,718,198**	**1,852,174**

10 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	5,151,963	4,920,546
Accrued expenses	760,157	1,785,298
Total	**5,912,120**	**6,705,844**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	-	3,427,603	-	1,724,360	-	5,151,963
	-	3,427,603	-	1,724,360	-	5,151,963
Accrued Expenses						760,157
						5,912,120

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	102,355	2,976,109	1,842,082	-	-	4,920,546
	102,355	2,976,109	1,842,082	-	-	4,920,546
Accrued Expenses						1,785,298
						6,705,844

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

11 Other liabilities

	As at	
	December 31, 2022	**December 31, 2021**
Other liabilities - Current		
Unearned revenues	132,417	-
Statutory liabilities	851,265	1,452,856
Total	**983,682**	**1,452,856**

12 Revenue from operations

12.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Geography		
Europe	20,147,904	20,873,879
Others	44,893	1,551,482
Total	**20,192,797**	**22,425,361**

12.2 Revenue disaggregation by contract type is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Offshore	13,116,864	15,884,596
Onshore	7,075,933	6,483,649
Others	-	57,116
Total revenue from operations	**20,192,797**	**22,425,361**
Offshore	65%	71%
Onshore	35%	29%
Others	0%	0%
Total revenue from operations	**100%**	**100%**

12.3 Revenue disaggregation by nature of service is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Revenue from contracts with customers	20,192,797	22,425,361
Other operating income	-	-
	20,192,797	**22,425,361**

12.4 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Contracted price	20,192,797	22,425,361
Reductions towards variable consideration components (discounts, rebate)	-	-
Revenue recognised	**20,192,797**	**22,425,361**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

12.5 Transaction price allocated to the remaining performance obligations

	For the year ended	
	December 31, 2022	**December 31, 2021**
Within 1 year	178,303	230,000
More than 1 year	-	-

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

13 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Exchange rate difference (net)	(323,385)	(244,965)
Total	**(323,385)**	**(244,965)**

14 Employee benefits expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Salary and allowances	8,895,810	10,856,984
Contribution to provident, other funds and benefits	3,911,095	4,214,844
Staff welfare expenses	20,808	5,820
Total	**12,827,713**	**15,077,648**

15 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Rent	661,173	918,550
Rates and taxes	29,777	97,108
Travelling and conveyance	286,120	166,959
Communication expenses	11,629	9,167
Repairs and maintenance	336,738	37,650
Legal and professional fees	533,756	350,119
Advertisement and business promotion	15,845	1,388
Bank and other charges	4,832	3,697
Insurance charges	104,045	49,346
Sub contracting and other service charges	4,110,381	4,597,844
Staff recruitment expenses	168,750	-
Total	**6,263,046**	**6,231,828**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

16 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	608,653	690,920
Weighted average outstanding equity shares	40,000	10,000
Basic and diluted earnings per share (In SEK)	15.22	69.09

17 Related party disclosures

A Names of related parties

Names of related parties	**Country**
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited (upto November 10,2021)	Mauritius
HT Global Holdings B.V. - till November 10, 2021	Netherlands
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company (control exists)	
Hexaware Technologies Limited	India
Fellow Subsidiary	
Hexaware Technologies UK Limited.	United Kingdom

Key Management Personnel (KMP)

Mr. Amrinder Singh

B Details of transactions with related party

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	December 31, 2021
1	**Expenditure - Software and Development Expenses - subcontracting charges**	Holding Company	3,841,033	4,150,327
2	**Expenditure - Reimbursement of Costs**	Holding Company	57,511	114,115
3	**Software and Consultancy Income (Rendering of Services)**	Holding Company	991,175	1,551,482
4	**Issue of Share Capital**	Holding Company	3,000,000	-

C Outstanding Balances

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	December 31, 2021
1	**Trade and other payables**	Ultimate Holding Company	3,741,612	2,828,622
		Fellow Subsidiary		
		Hexaware Technologies UK Limited, UK	1,868,835	3,181,631

18 Financial Instruments

18.1 Financial Instruments by category

(i) The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	4,585,909	-	-	-	4,585,909
Trade receivables - Billed	6,003,929	-	-	-	6,003,929
Trade receivables - Unbilled	5,429	-	-	-	5,429
Total	**10,595,267**	**-**	**-**	**-**	**10,595,267**
Trade payables	5,912,120	-	-	-	5,912,120
Other financial liabilities	1,718,198	-	-	-	1,718,198
Total	**7,630,318**	**-**	**-**	**-**	**7,630,318**

(ii) The carrying value / fair value of financial instruments by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,201,355	-	-	-	2,201,355
Trade receivables - Billed	6,635,108	-	-	-	6,635,108
Trade receivables - Unbilled	5,429	-	-	-	5,429
Total	**8,841,892**	**-**	**-**	**-**	**8,841,892**
Trade payables	6,705,844	-	-	-	6,705,844
Other financial liabilities	1,852,174	-	-	-	1,852,174
Total	**8,558,018**	**-**	**-**	**-**	**8,558,018**

Notes

1 Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, other financial assets, trade payables, and other financial 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 period presented.

18 Financial Instruments (continued)

18.2 Financial risk management

The Company has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by the global CEO and CFO, after consultation with all business units, functions and department heads.

(i) Client concentration risk

94% and 100% of the revenue of 2022 and 2021 respectively is generated from 1 client. Any loss or major downsizing by this client may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit Risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of SEK 6,003,929 and SEK 6,635,108 as at December 31, 2022 and 2021 respectively and unbilled revenue of SEK 263,963 and SEK 5,429 as at December 31, 2022 and 2021 respectively.

The Company has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer to note 5 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top customer dues contribute 100% of the total outstanding as at December 31, 2022 and 2021

Cash and cash equivalents include current account balances with banks.

(iii) Foreign Currency fluctuations Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The company's transactions are predominantly in SEK and incurs foreign currency risk on transactions that are denominated by currency other than SEK such as EUR. The company do not hedge any currency exposures.

The following table analyses foreign currency risk from financial instruments as at December 31, 2022 & 2021:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2022			
EUR	-	1,868,835	(1,868,835)

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
EUR	-	3,232,599	(3,232,599)

10% depreciation/(appreciation) of the respective foreign currencies with respect to functional currency of the Company would result in the increase/ (decrease) in Company's profit before tax approximately by SEK 186,883 and SEK 323,260 for the year ended December 31, 2022 and 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

18 Financial Instruments (continued)

(iv) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance and investments of SEK 4,585,909 (previous Year: SEK 2,201,355) which constitutes approximately 42% (Previous year: 25%) of total assets. The Company does not have any debt and thus manages its liquidity requirements through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Trade and other payables	5,912,120	-	-	-	5,912,120
Others	1,718,198	-	-	-	1,718,198
Total	**7,630,318**	**-**	**-**	**-**	**7,630,318**

As at December 31, 2021	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Trade and other payables	6,705,844	-	-	-	6,705,844
Others	1,852,174	-	-	-	1,852,174
Total	**8,558,018**	**-**	**-**	**-**	**8,558,018**

(v) Interest rate risk

The Company does not have any debt. Accordingly, the Company is not exposed to significant interest rate risk.

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

19 Employee benefits

The Company recognized SEK 3,911,095 (Previous Year SEK 4,214,844) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

20 Segment reporting

There is only one reportable business segment viz Manufacturing, Consumer and Others (MC&O), the results of which are disclosed in the financial statements.

21 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

22 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	1.12	0.79	1.43
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	-	-	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	-	-	-
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	-103.30%	-25.23%	310%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	3.11	3.71	0.84
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull	Average trade payables	0.96	0.73	1.32
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	(34.27)	(8.19)	4.19
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.01%	3.08%	-2%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	64.08%	-36.39%	-276%

23 Other updates

Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on February 1, 2023.

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

KAUSHIK SHANTIKUMAR BHATIA

Digitally signed by KAUSHIK SHANTIKUMAR BHATIA
DN: c=IN, st=Maharashtra,
2.5.4.20=3012292128b8ddf5c2b8138b8f4c51e1a2246d3c13a0df1e4a30dd86b4603f4c, postalCode=400055, street=701 PARIJAT A CHS ROAD NO 6 TPS 5 PRABHAT COLONY SANTACRUZ EAST,
serialNumber=7d4f65d05220a3b38388da44e5e55df705ce49e913fac897d729f162e1a65045, o=Personal, cn=KAUSHIK SHANTIKUMAR BHATIA,
pseudonym=c761f79bdfdadc1f0da11013495f2745
Date: 2023.02.01 20:33:30 +05'30'

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies South Africa Pty Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTO5858

Mumbai, February 1, 2023

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current assets			
Financial assets:			
Trade receivables			
Billed	5	6,003,929	6,635,108
Unbilled		5,429	5,429
Cash and cash equivalents	6	4,585,909	2,201,355
Other current assets	7	437,845	16,140
Total current assets		**11,033,112**	**8,858,032**
TOTAL ASSETS		**11,033,112**	**8,858,032**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	4,000,000	1,000,000
Other equity		(2,784,893)	(3,393,546)
Total equity		**1,215,107**	**(2,393,546)**
Current liabilities			
Financial liabilities:			
Trade payables			
Dues of micro enterprises and small enterprises		-	-
Dues of other than micro enterprises and small enterprises	10	5,912,120	6,705,844
Other financial liabilities	9	1,718,198	1,852,174
Other current liabilities	11	983,682	1,452,856
Provisions			
Employee benefit obligations in respect of compensated absences and others		854,005	1,060,704
Income tax liabilities (net)		350,000	180,000
Total current liabilities		**9,818,005**	**11,251,578**
Total liabilities		**9,818,005**	**11,251,578**
TOTAL EQUITY AND LIABILITIES		**11,033,112**	**8,858,032**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

KAUSHIK SHANTIKUMAR BHATIA

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	12	20,192,797	22,425,361
Other income	13	(323,385)	(244,965)
TOTAL INCOME		**19,869,412**	**22,180,396**
EXPENSES			
Employee benefits expense	14	12,827,713	15,077,648
Operating and other expenses	15	6,263,046	6,231,828
TOTAL EXPENSES		**19,090,759**	**21,309,476**
PROFIT BEFORE TAX		**778,653**	**870,920**
Tax expense			
Current tax	4	170,000	180,000
Total tax expense		**170,000**	**180,000**
PROFIT FOR THE YEAR		**608,653**	**690,920**
Earnings per equity share:- Basic and diluted (SEK)	16		
Basic		15.22	69.09
Diluted		15.22	69.09

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
1,000,000	**3,000,000**	**4,000,000**

Balance as at January 01, 2021	Changes in equity share capital during the year	Balance as at December 31, 2021
1,000,000	**-**	**1,000,000**

B. OTHER EQUITY

	Reserves and surplus	Other comprehensive income	Total equity
	Retained earnings		
Balance as at January 01, 2022	(3,393,546)	-	(3,393,546)
Profit for the year	608,653	-	608,653
Balance as at December 31, 2022	**(2,784,893)**	**-**	**(2,784,893)**
Balance as at January 01, 2021	(4,084,466)	-	(4,084,466)
Profit for the year	690,920	-	690,920
Balance as at December 31, 2021	**(3,393,546)**	**-**	**(3,393,546)**

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Date: 2023.02.01 20:05:48 +05'30'

Amrinder

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)	**For the year ended**	
Statement of Cash Flows for the year ended December 31, 2022	**December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Profit before tax	**778,653**	**870,920**
Adjustments for:		
Trade receivables and other assets	209,474	(1,210,991)
Trade payables, other liabilities and provisions	(1,603,573)	(3,006,929)
Net cash generated from operating activities	**(615,446)**	**(3,347,000)**
Cash flow from investing activities		
Net cash generated from investing activities	-	-
Cash flow from financing activities		
Proceeds from issue of shares	3,000,000	-
Net cash used in from financing activities	**3,000,000**	-
Net increase in cash and cash equivalents	**2,384,554**	**(3,347,000)**
Cash and cash equivalents at the beginning of the year	2,201,355	5,548,355
Cash and cash equivalents at the end of the year (Refer to note 6)	**4,585,909**	**2,201,355**

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

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Date: 2023.02.01 20:06:16 +05'30'

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Hexaware Technologies Nordic AB

Registered Office: Tellusvagen 5 A,186 36, VALLENTUNA,, SWEDEN

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies Nordic AB, incorporated on 7th September 2017 under the laws of Sweden, is a subsidiary of Hexaware Technologies Limited, India. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Swedish Kroners (SEK), which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is Sweden. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2 Significant Accounting Policies *(Continued)*

2.3.3 Others

Others areas involving estimates relates to provision for the doubtful debts.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

The Company follows s 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 as per Ind AS 116.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Impairment

Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

(vi) Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

2 Significant Accounting Policies *(Continued)*

2.13 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

4 Income taxes

		For the year ended	
		December 31, 2022	December 31, 2021
A	Income tax expense is allocated as follows :		
	Income tax expense as per the Statement of Profit and Loss	170,000	180,000
		170,000	180,000

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Profit before tax	778,653	870,920
Expected tax expense at the enacted tax rate of 20.6% (Previous year 20.6%) in Sweden	160,403	179,410
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Others	9,597	590
	170,000	180,000

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

5 Trade receivables

A **Trade receivables - Billed - Current (Unsecured)**	**As at December 31, 2022**	**As at December 31, 2021**
Considered good	6,003,929	6,635,108
Total	**6,003,929**	**6,635,108**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	4,245,085	1,713,951	-	-	-	-	5,959,036
Undisputed trade receivables – considered good (RPT)	44,893	-	-	-	-	-	44,893
	4,289,978	1,713,951	-	-	-	-	6,003,929
Less - Allowance for Doubtful trade receivable							-
							6,003,929
Unbilled receivables							5,429
							6,009,358

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	4,229,961	2,046,261	-	-	-	-	6,276,222
Undisputed trade receivables – considered good (RPT)	225,396	133,490	-	-	-	-	358,886
	4,455,357	2,179,751	-	-	-	-	6,635,108
Less - Allowance for Doubtful trade receivable							-
							6,635,108
Unbilled receivables							5,429
							6,640,537

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

6 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	4,585,909	2,201,355
Total	**4,585,909**	**2,201,355**

7 Other assets

Other assets – Current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	24,825	-
Employee advances	132,233	16,140
Contracts assets	258,534	-
Others	22,253	-
Total	**437,845**	**16,140**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Equity

	As at December 31, 2022	As at December 31, 2021
8.1 Authorised capital		
40,000 Equity shares of SEK 100/- each (10,000 Equity shares of SEK 100/- each in 2021)	4,000,000	1,000,000

	As at December 31, 2022	As at December 31, 2021
8.2 Issued, subscribed and paid-up capital		
40,000 EQUITY SHARES OF SEK 100/- EACH FULLY PAID (10,000 Equity shares of SEK 100/- each in 2021)	4,000,000	1,000,000

	As at December 31, 2022	As at December 31, 2021
8.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	10,000	10,000
Shares issued during the year	30,000	-
Shares outstanding at the end of the year	**40,000**	**10,000**

8.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of SEK 100 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.

8.5 Details of shares held by shareholders holding more than 5% shares		As at December 31, 2022	As at December 31, 2021
Name of the shareholder			
Hexaware Technologies Limited	No. of shares held	40,000	10,000
	% of holding	100%	100%

8.6 Details of shares held by promoters		As at December 31, 2022	As at December 31, 2021
Name of the shareholder			
Hexaware Technologies Limited	No. of shares held	40,000	10,000
	% of holding	100%	100%

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

9 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	1,718,198	1,852,174
Total	**1,718,198**	**1,852,174**

10 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	5,151,963	4,920,546
Accrued expenses	760,157	1,785,298
Total	**5,912,120**	**6,705,844**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	-	3,427,603	-	1,724,360	-	5,151,963
	-	3,427,603	-	1,724,360	-	5,151,963
Accrued Expenses						760,157
						5,912,120

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	102,355	2,976,109	1,842,082	-	-	4,920,546
	102,355	2,976,109	1,842,082	-	-	4,920,546
Accrued Expenses						1,785,298
						6,705,844

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

11 Other liabilities

	As at	
	December 31, 2022	**December 31, 2021**
Other liabilities - Current		
Unearned revenues	132,417	-
Statutory liabilities	851,265	1,452,856
Total	**983,682**	**1,452,856**

12 Revenue from operations

12.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Geography		
Europe	20,147,904	20,873,879
Others	44,893	1,551,482
Total	**20,192,797**	**22,425,361**

12.2 Revenue disaggregation by contract type is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Offshore	13,116,864	15,884,596
Onshore	7,075,933	6,483,649
Others	-	57,116
Total revenue from operations	**20,192,797**	**22,425,361**
Offshore	65%	71%
Onshore	35%	29%
Others	0%	0%
Total revenue from operations	**100%**	**100%**

12.3 Revenue disaggregation by nature of service is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Revenue from contracts with customers	20,192,797	22,425,361
Other operating income	-	-
	20,192,797	**22,425,361**

12.4 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Contracted price	20,192,797	22,425,361
Reductions towards variable consideration components (discounts, rebate)	-	-
Revenue recognised	**20,192,797**	**22,425,361**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

12.5 Transaction price allocated to the remaining performance obligations

	For the year ended	
	December 31, 2022	**December 31, 2021**
Within 1 year	178,303	230,000
More than 1 year	-	-

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

13 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Exchange rate difference (net)	(323,385)	(244,965)
Total	**(323,385)**	**(244,965)**

14 Employee benefits expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Salary and allowances	8,895,810	10,856,984
Contribution to provident, other funds and benefits	3,911,095	4,214,844
Staff welfare expenses	20,808	5,820
Total	**12,827,713**	**15,077,648**

15 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Rent	661,173	918,550
Rates and taxes	29,777	97,108
Travelling and conveyance	286,120	166,959
Communication expenses	11,629	9,167
Repairs and maintenance	336,738	37,650
Legal and professional fees	533,756	350,119
Advertisement and business promotion	15,845	1,388
Bank and other charges	4,832	3,697
Insurance charges	104,045	49,346
Sub contracting and other service charges	4,110,381	4,597,844
Staff recruitment expenses	168,750	-
Total	**6,263,046**	**6,231,828**

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

16 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	608,653	690,920
Weighted average outstanding equity shares	40,000	10,000
Basic and diluted earnings per share (In SEK)	15.22	69.09

17 Related party disclosures

A Names of related parties

	Country
Ultimate Holding Company and it's subsidiaries	
Baring Private Equity Asia GP V. LP (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited (upto November 10,2021)	Mauritius
HT Global Holdings B.V. - till November 10, 2021	Netherlands
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company (control exists)	
Hexaware Technologies Limited	India
Fellow Subsidiary	
Hexaware Technologies UK Limited.	United Kingdom
Key Management Personnel (KMP)	
Mr. Amrinder Singh	

B Details of transactions with related party

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	**December 31, 2021**
1	**Expenditure - Software and Development Expenses - subcontracting charges**	Holding Company	3,841,033	4,150,327
2	**Expenditure - Reimbursement of Costs**	Holding Company	57,511	114,115
3	**Software and Consultancy Income (Rendering of Services)**	Holding Company	991,175	1,551,482
4	**Issue of Share Capital**	Holding Company	3,000,000	-

C Outstanding Balances

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	**December 31, 2021**
1	**Trade and other payables**	Ultimate Holding Company	3,741,612	2,828,622
		Fellow Subsidiary		
		Hexaware Technologies UK Limited, UK	1,868,835	3,181,631

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

18 Financial Instruments

18.1 Financial Instruments by category

(i) The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	4,585,909	-	-	-	4,585,909
Trade receivables - Billed	6,003,929	-	-	-	6,003,929
Trade receivables - Unbilled	5,429	-	-	-	5,429
Total	**10,595,267**	**-**	**-**	**-**	**10,595,267**
Trade payables	5,912,120	-	-	-	5,912,120
Other financial liabilities	1,718,198	-	-	-	1,718,198
Total	**7,630,318**	**-**	**-**	**-**	**7,630,318**

(ii) The carrying value / fair value of financial instruments by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,201,355	-	-	-	2,201,355
Trade receivables - Billed	6,635,108	-	-	-	6,635,108
Trade receivables - Unbilled	5,429	-	-	-	5,429
Total	**8,841,892**	**-**	**-**	**-**	**8,841,892**
Trade payables	6,705,844	-	-	-	6,705,844
Other financial liabilities	1,852,174	-	-	-	1,852,174
Total	**8,558,018**	**-**	**-**	**-**	**8,558,018**

Notes

1 Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, other financial assets, trade payables, and other financial 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 period presented.

18 Financial Instruments (continued)

18.2 Financial risk management

The Company has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by the global CEO and CFO, after consultation with all business units, functions and department heads.

(i) Client concentration risk

94% and 100% of the revenue of 2022 and 2021 respectively is generated from 1 client. Any loss or major downsizing by this client may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit Risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of SEK 6,003,929 and SEK 6,635,108 as at December 31, 2022 and 2021 respectively and unbilled revenue of SEK 263,963 and SEK 5,429 as at December 31, 2022 and 2021 respectively.

The Company has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer to note 5 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top customer dues contribute 100% of the total outstanding as at December 31, 2022 and 2021

Cash and cash equivalents include current account balances with banks.

(iii) Foreign Currency fluctuations Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The company's transactions are predominantly in SEK and incurs foreign currency risk on transactions that are denominated by currency other than SEK such as EUR. The company do not hedge any currency exposures.

The following table analyses foreign currency risk from financial instruments as at December 31, 2022 & 2021:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2022			
EUR	-	1,868,835	(1,868,835)

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
EUR	-	3,232,599	(3,232,599)

10% depreciation/(appreciation) of the respective foreign currencies with respect to functional currency of the Company would result in the increase/ (decrease) in Company's profit before tax approximately by SEK 186,883 and SEK 323,260 for the year ended December 31, 2022 and 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

18 Financial Instruments (continued)

(iv) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2022, the Company had total cash / bank balance and investments of SEK 4,585,909 (previous Year: SEK 2,201,355) which constitutes approximately 42% (Previous year: 25%) of total assets. The Company does not have any debt and thus manages its liquidity requirements through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Trade and other payables	5,912,120	-	-	-	5,912,120
Others	1,718,198	-	-	-	1,718,198
Total	**7,630,318**	**-**	**-**	**-**	**7,630,318**

As at December 31, 2021	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Trade and other payables	6,705,844	-	-	-	6,705,844
Others	1,852,174	-	-	-	1,852,174
Total	**8,558,018**	**-**	**-**	**-**	**8,558,018**

(v) Interest rate risk

The Company does not have any debt. Accordingly, the Company is not exposed to significant interest rate risk.

Hexaware Technologies Nordic AB

(SEK unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

19 Employee benefits

The Company recognized SEK 3,911,095 (Previous Year SEK 4,214,844) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

20 Segment reporting

There is only one reportable business segment viz Manufacturing, Consumer and Others (MC&O), the results of which are disclosed in the financial statements.

21 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

22 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	1.12	0.79	1.43
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	-	-	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	-	-	-
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	-103.30%	-25.23%	310%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	3.11	3.71	0.84
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull	Average trade payables	0.96	0.73	1.32
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	(34.27)	(8.19)	4.19
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.01%	3.08%	-2%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	64.08%	-36.39%	-276%

23 Other updates

Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on February 1, 2023.

The accompanying notes 1 to 23 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Co

Chartered Accountants

Firms' registration number :158315W

KAUSHIK SHANTIKUMAR BHATIA

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board

Amrinder

Amrinder Singh

Director

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies South Africa Pty Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTO5858

Mumbai, February 1, 2023

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Registered Office: 13th Floor, Pier Place, 31 Heerengracht Street, Cape Town, 8001, South Africa

(ZAR, unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Deferred tax assets (net)	4C	127,333	67,632
Income tax assets (net)		164,657	-
Total non-current assets		**291,990**	**67,632**
Current assets			
Financial assets:			
Trade receivables	5	10,329,766	17,373,826
Unbilled receivables		2,800,550	2,816,016
Cash and cash equivalents	6	8,008,848	13,302,882
Other current assets	7	-	527,820
Total current assets		**21,139,164**	**34,020,544**
TOTAL ASSETS		**21,431,154**	**34,088,176**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	1,000,000	1,000,000
Other equity		2,003,153	1,028,009
Total equity		**3,003,153**	**2,028,009**
Non-current liabilities			
Trade payables			
Dues of micro enterprises and small enterprises	9A	-	-
Dues of other than micro enterprises and small enterprises	9B	17,930,499	28,292,236
Other current liabilities	10	25,901	3,433,165
Provisions			
Employee benefit obligations in respect of compensated absences		471,601	250,487
Income tax liabilities (net)		-	84,279
Total current liabilities		**18,428,001**	**32,060,167**
Total liabilities		**18,428,001**	**32,060,167**
TOTAL EQUITY AND LIABILITIES		**21,431,154**	**34,088,176**

The accompanying notes 1 to 22 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh
Director

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Registered Office: 13th Floor, Pier Place, 31 Heerengracht Street, Cape Town, 8001, South Africa

(ZAR, unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	11	75,848,761	46,246,294
Exchange rate difference (net)		(220,087)	(212,189)
Other income	12	94,619	236,453
TOTAL INCOME		**75,723,293**	**46,270,558**
EXPENSES			
Employee benefits expense	13	12,736,899	4,274,392
Operating and other expenses	14	61,379,951	40,886,524
TOTAL EXPENSES		**74,116,850**	**45,160,916**
PROFIT BEFORE TAX		**1,606,443**	**1,109,642**
Tax expense			
Current tax		691,000	336,279
Deferred tax (credit)		(59,701)	(67,632)
Total tax expense		**631,299**	**268,647**
PROFIT FOR THE YEAR		**975,144**	**840,995**
Basic Earnings per share (In ZAR)	15		
Basic and Diluted		9.75	8.41

The accompanying notes 1 to 22 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh
Director

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Registered Office: 13th Floor, Pier Place, 31 Heerengracht Street, Cape Town, 8001, South Africa

(ZAR, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2022	Changes in equity share capital due to prior period errors	Restated balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
1,000,000	-	1,000,000	-	1,000,000

Balance as at January 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at January 01, 2021	Changes in equity share capital during the year	Balance as at December 31, 2021
1,000,000	-	1,000,000	-	1,000,000

B. OTHER EQUITY

	Reserves and surplus		Total equity
	Retained earnings	Other comprehensive income	
Balance as at January 01, 2022	1,028,009	-	1,028,009
Profit for the year	975,144	-	975,144
Balance as at December 31, 2022	**2,003,153**	**-**	**2,003,153**
Balance as at January 01, 2021	187,014	-	187,014
Profit for the year	840,995	-	840,995
Balance as at December 31, 2021	**1,028,009**	**-**	**1,028,009**

The accompanying notes 1 to 22 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh
Director

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

Registered Office: 13th Floor, Pier Place, 31 Heerengracht Street, Cape Town, 8001, South Africa

(ZAR, unless otherwise stated)

Statement of Cash Flows for the year ended December 31, 2022	**For the year ended December 31, 2022**	**For the year ended December 31, 2021**
Cash flow from operating activities		
Profit before tax	**1,606,443**	**1,109,642**
Adjustments for:		
Interest income	(94,619)	(236,453)
Operating profit before working capital changes	**1,511,824**	**873,189**
Adjustments for:		
Trade receivables and other assets	7,587,346	(13,314,783)
Trade payables, other liabilities and provisions	(13,547,887)	15,832,977
Cash (used in)/ generated from operations	**(4,448,717)**	**3,391,383**
Direct taxes paid (net)	(939,936)	(252,000)
Net cash (used in)/generated from operating activities	**(5,388,653)**	**3,139,383**
Cash flow from investing activities		
Interest received	94,619	236,453
Net cash generated from investing activities	**94,619**	**236,453**
Cash flow from financing activities		
Net cash used in from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	**(5,294,034)**	**3,375,836**
Cash and cash equivalents at the beginning of the year	13,302,882	9,927,046
Cash and cash equivalents at the end of the year (Refer to note 6)	**8,008,848**	**13,302,882**

The accompanying notes 1 to 22 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh

Director

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies South Africa Pty Limited , incorporated on November 25, 2019 under the laws of South Africa, and commenced operations on March 1, 2020, is a subsidiary of Hexaware Technologies UK Limited. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in South African Rands (ZAR), which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is South Africa . Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies ***(Continued)***

2.3.3 Others

Others areas involving estimates relates to provision for the doubtful debts.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

The Company follows s 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 as per Ind AS 116.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2 Significant Accounting Policies *(Continued)*

2.10 Impairment

Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) **Financial liabilities**

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

2.13 Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

4 Income taxes

A Income tax expense is allocated as follows :

	For the year ended	
	December 31, 2022	December 31, 2021
Income tax expense as per the Statement of Profit and Loss	631,299	268,647
	631,299	268,647

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Profit before tax	1,606,443	1,109,642
Expected tax expense at the enacted tax rate of 28% (Previous year 28%) in South Africa	449,804	310,700
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Tax expenses pertaining to previous year	477,747	-
Others	(296,252)	(42,053)
	631,299	268,647

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

4 Income taxes

C Components and movement in deferred tax assets and liabilities is as follows :

Significant components of net deferred tax assets and liabilities:

Components of deferred taxes:	January 01, 2022	Recognised in profit or loss	Recognised in OCI	December 31, 2022
Deferred tax assets				
Employee benefit obligations	67,632	59,701	-	127,333
Net deferred tax asset	67,632	59,701	-	127,333

Significant components of net deferred tax assets and liabilities:

Components of deferred taxes:	January 01, 2021	Recognised in profit or loss	Recognised in OCI	December 31, 2021
Deferred tax assets				
Employee benefit obligations	-	67,632	-	67,632
Net deferred tax asset	-	67,632	-	67,632

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

5 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2022	As at December 31, 2021
Considered good	10,329,766	17,373,826
	10,329,766	**17,373,826**

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	6,732,785	-	-	-	-	-	6,732,785
Undisputed trade receivables – considered good (RPT)	966,889	2,630,092	-	-	-	-	3,596,981
	7,699,674	2,630,092	-	-	-	-	10,329,766
Less - Allowance for Doubtful trade receivable							-
							10,329,766
Unbilled receivables							2,800,550
							13,130,316

Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	11,961,573	3,506,452	-	-	-	-	15,468,025
Undisputed trade receivables – considered good (RPT)	494,559	1,411,242	-	-	-	-	1,905,801
	12,456,132	4,917,694	-	-	-	-	17,373,826
Less - Allowance for Doubtful trade receivable							-
							17,373,826
Unbilled receivables							2,816,016
							20,189,842

6 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	8,008,848	13,302,882
Total	**8,008,848**	**13,302,882**

7 Other assets

Other assets – Current	As at December 31, 2022	As at December 31, 2021
Others	-	527,820
Total	**-**	**527,820**

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Equity

	As at December 31, 2022	As at December 31, 2021
8.1 Authorised capital		
500,000 Equity shares of ZAR 10/- each	5,000,000	5,000,000

	As at December 31, 2022	As at December 31, 2021
8.2 Issued, subscribed and paid-up capital		
100,000 EQUITY SHARES OF ZAR 10/- EACH FULLY PAID	1,000,000	1,000,000

	As at December 31, 2022	As at December 31, 2021
8.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	100,000	100,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	**100,000**	**100,000**

8.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ZAR 10 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.

8.5 Details of shares held by shareholders holding more than 5% shares		As at December 31, 2022	As at December 31, 2021
Name of the shareholder			
Hexaware Technologies UK Limited	No. of shares held	100,000	100,000
	% of holding	100%	100%

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

9 Trade payables

	As at December 31, 2022	As at December 31, 2021
A Dues of micro enterprises and small enterprises	-	-
Total	-	-
B Dues of other than micro enterprises and small enterprises		
Trade payables	14,464,583	19,007,503
Accrued expenses	3,465,916	9,284,733
Total	**17,930,499**	**28,292,236**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	4,819,542	9,553,041	92,000	-	-	14,464,583
	4,819,542	9,553,041	92,000	-	-	14,464,583
Accrued Expenses						3,465,916
						17,930,499

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Others	1,261,002	17,746,501	-	-	-	19,007,503
	1,261,002	17,746,501	-	-	-	19,007,503
Accrued Expenses						9,284,733
						28,292,236

10 Other liabilities

	As at December 31, 2022	As at December 31, 2021
Other liabilities - Current		
Unearned revenues	-	1,602,151
Statutory liabilities	25,901	1,831,014
Total	**25,901**	**3,433,165**

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

11 Revenue from operations

11.1 Revenue disaggregation by geography is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Geography		
South Africa	66,336,613	44,340,493
European Union	9,153,708	1,223,879
Other	358,440	681,922
Total	**75,848,761**	**46,246,294**

11.2 The disaggregated revenue with the customers for the year ended 31 December 2021 by contract type:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Onsite	18,040,305	8,668,778
Offshore	39,386,396	29,687,209
Others	18,422,060	7,890,307
Total revenue from operations	**75,848,761**	**46,246,294**
Onsite	24%	19%
Offshore	52%	64%
Others	24%	17%
Total revenue from operations	**100%**	**100%**

11.3 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2022	**December 31, 2021**
Contracted price	75,848,761	46,246,294
Reductions towards variable consideration components (discounts, rebate)	-	-
Revenue recognised	**75,848,761**	**46,246,294**

11.4 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	For the year ended	
	December 31, 2022	**December 31, 2021**
Within 1 year	-	15,545,327
More than 1 year	-	38,863,316

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

12 Other income

	For the year ended	
	December 31, 2022	**December 31, 2021**
Interest income	94,619	236,453
Total	**94,619**	**236,453**

13 Employee benefits expense

	For the year ended	
	December 31, 2022	**December 31, 2021**
Salary and allowances	11,194,993	3,776,813
Contribution to provident, other funds and benefits	1,541,906	497,579
Total	**12,736,899**	**4,274,392**

14 Operating and other expenses

	For the year ended	
	December 31, 2022	**December 31, 2021**
Rates and taxes	105,449	270,484
Travelling and conveyance	37,447	-
Communication expenses	-	39,413
Legal and professional fees	367,529	265,535
Advertisement and business promotion	-	80,000
Bank and other charges	36,865	8,562
Sub contracting and other service charges	60,832,661	40,261,943
Miscellaneous expenses	-	(39,413)
Total	**61,379,951**	**40,886,524**

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

15 Earnings per share (EPS)

	For the year ended	
	December 31, 2022	**December 31, 2021**
The components of basic and diluted EPS:		
Net profit after tax	975,144	840,995
Weighted average outstanding equity shares considered for basic EPS	100,000	100,000
Basic and diluted earnings per share (In ZAR)	9.75	8.41

16 Related party disclosures

A Names of related parties — **Country**

Ultimate Holding Company and it's subsidiaries

Baring Private Equity Asia GP V. LP (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited (upto November 10,2021)	Mauritius
HT Global IT solutions Holding Limited - till November 10, 2021	Mauritius
HT Global Holdings B.V. - till November 10, 2021	Netherlands
CA Magnum Holdings - w.e.f. November 11, 2021	Mauritius
Hexaware Technologies Limited	India

Holding Company

Hexaware Technologies UK Limited	UK

Fellow Subsidiaries

Mobiquity BV	Netherlands

B Key Management Personnel (KMP)

Mr Amrinder Singh

Details of transactions with party wise details

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022	December 31, 2021
			ZAR	ZAR
1	Software expenses	Ultimate Holding Company	44,100,470	32,899,002
2	Software and Consultancy	Ultimate Holding Company	-	681,922
	Income	**Fellow Subsidiary**		
	(Rendering of Services)	Mobiquity B.V.	8,994,911	1,223,879

Outstanding Balances

Sr no.	Particulars	Nature of Relationship	For the year ended	
			December 31, 2022 ZAR	December 31, 2021 ZAR
1	Sundry Creditors	Ultimate Holding Company	15,014,381	26,602,101
2	Sundry Debtors	**Fellow Subsidiary**		
		Mobiquity BV	3,596,981	1,223,879

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

17 Financial Instruments

Category of financials instrument

All financial instruments are measured at amortised cost. Carrying amount of cash and cash equivalents and liabilities approximate the fair value because of their short term nature.

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 observed and the significance of the inputs to the fair value measurements in its entirely, 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

(i) The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	8,008,848	-	-	-	8,008,848
Trade receivables	10,329,766	-	-	-	10,329,766
Unbilled receivables	2,800,550	-	-	-	2,800,550
Total	**21,139,164**	**-**	**-**	**-**	**21,139,164**
Trade payables	17,930,499	-	-	-	17,930,499
Total	**17,930,499**	**-**	**-**	**-**	**17,930,499**

(ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	13,302,882	-	-	-	13,302,882
Trade receivables	17,373,826	-	-	-	17,373,826
Unbilled receivables	2,816,016	-	-	-	2,816,016
Total	**33,492,724**	**-**	**-**	**-**	**33,492,724**
Trade payables	28,292,236	-	-	-	28,292,236
Total	**28,292,236**	**-**	**-**	**-**	**28,292,236**

Carrying amount of cash and cash equivalents, 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 period presented.

17 Financial Instruments (continued)

Financial risk management

The Company has identified the risk of client concentration risk, credit risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) Client concentration risk

100% of the revenue of 2022 and 2021 is generated from 4 clients and 4 client respectively. Any loss or major downsizing by this client may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of ZAR 10,329,766 and ZAR 17,373,826 as at December 31, 2022 and December 31,2021.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 5 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables

Top customer dues contribute 100% of the total outstanding as at December 31, 2022 and December 31, 2021.

Cash and cash equivalents include current account balances with banks.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations is one of the key risks impacting our business. The contracts we enter into with our customers tend to run across several years and many of these contracts are at fixed rates, therefore any appreciation in the foreign currencies will affect our margins.

The following table analyses foreign currency risk from financial instruments as at December 31, 2022 & 2021:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2022			
USD	-	1,289,394	(1,289,394)

	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
USD	-	-	-

10% depreciation /(appreciation) of the respective foreign currencies with respect to functional currency of the Company would result in the increase/ (decrease) in Company's loss approximately by ZAR 128,939 and Nil for the year ended December 31, 2022 and December 31, 2021 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

17 Financial Instruments (continued)

(iii) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

The Company has increased its liquidity position by maintaining high cash / bank balances.

As at December 31, 2022, the Company had total cash / bank balance and investments of ZAR 8,008,848 (Previous year: ZAR 13,302,882) which constitutes approximately 37% (previous year: 39%) of total assets. The Company does not have any debt and thus manages its liquidity requirements through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Trade and other payables	17,930,499	-	-	-	17,930,499
Total	**17,930,499**	**-**	**-**	**-**	**17,930,499**

As at December 31, 2021	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Trade and other payables	28,292,236	-	-	-	28,292,236
Total	**28,292,236**	**-**	**-**	**-**	**28,292,236**

(iv) Interest rate risk

The Company does not have any debt. Hence, the Company is not significantly exposed to interest rate risk.

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

18 Employee Benefits

The Company recognized ZAR 1,541,906 (Previous Year ZAR 497,579) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

19 Segment reporting

The reportable business segments have been identified taking into account the services offered to customers globally operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by below business. The Group's organization structure reflects the industry segmentation. Following are the business segments:

i) Healthcare and Insurance (H & I)
ii) Hi-Tech Professional services (HTPS)

Segment results for the year ended December 31, 2022

	H & I	HTPS	Total
Revenue	66,641,682	9,207,079	75,848,761
Expenses	(65,120,003)	(8,996,847)	(74,116,850)
Segment profit	**1,521,679**	**210,232**	**1,731,911**
Add: Exchange rate differences (net)			(220,087)
Add: Other income			94,619
Profit before tax			**1,606,443**
Less: Tax expense			(631,299)
Profit after tax			**975,144**

Segment results for the year ended December 31, 2021

	H & I	HTPS	Total
Revenue	46,246,294		46,246,294
Expenses	(45,160,916)	-	(45,160,916)
Segment profit	**1,085,378**	**-**	**1,085,378**
Add: Exchange rate differences (net)			(212,189)
Add: Other income			236,453
Profit before tax			**1,109,642**
Less: Tax expense			(268,647)
Profit after tax			**840,995**

HEXAWARE TECHNOLOGIES SOUTH AFRICA PTY LIMITED

(ZAR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

20 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to the financial statements.

21 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	1.15	1.06	1.08
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	-	-	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	-	-	-
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	38.76%	52.32%	-26%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	4.12	3.35	1.23
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Average trade payables	2.39	1.85	1.29
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	32.47	29.39	1.10
Net profit ratio (in %)	Profit for the year	Revenue from operations	1.29%	1.82%	-29%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	53.49%	54.72%	-2%

22 Other updates

Approval of the financial statements:
The financial statements were approved for issue by the Board of Directors on February 1, 2023.

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh
Director

Independent Auditor's Report

TO THE MEMBERS OF Hexaware Information Technologies (Shanghai) Company Limited

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Information Technologies (Shanghai) Company Limited ("The Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTS5406

Mumbai, February 2, 2023

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Income tax assets (net)		73,431	-
Other non-current assets	5B	604	2,608
Total non-current assets		**74,035**	**2,608**
Current assets			
Financial assets:			
Trade receivables			
Billed	7	152,412	234,191
Unbilled		91,020	2,460
Cash and cash equivalents	8	122,152	284,758
Other financial assets	5A	1,000	1,000
Other current assets	6	2,000	2,000
Total current assets		**368,584**	**524,408**
TOTAL ASSETS		**442,619**	**527,016**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	1,197,792	1,197,792
Other equity		(837,777)	(831,197)
Total equity		**360,015**	**366,595**
Current liabilities			
Other financial liabilities	10	39,896	39,898
Other current liabilities	11	42,708	120,524
Total current liabilities		**82,604**	**160,422**
Total liabilities		**82,604**	**160,422**
TOTAL EQUITY AND LIABILITIES		**442,619**	**527,017**

The accompanying notes 1 to 22 form an integral part of the financial statements.

As per our report of even date attached
For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Information Technologies (Shanghai) Company Limited

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

-

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022	December 31, 2021
INCOME			
Revenue from operations	12	905,355	3,116,675
Exchange rate difference (net)		(6,658)	(2,136)
Other income	13	19,310	657
TOTAL INCOME		**918,007**	**3,115,196**
EXPENSES			
Employee benefits expense	14	763,602	867,969
Operating and other expenses	15	160,985	2,409,670
TOTAL EXPENSES		**924,587**	**3,277,639**
LOSS BEFORE TAX		**(6,580)**	**(162,443)**
Tax expense			
LOSS FOR THE YEAR		**(6,580)**	**(162,443)**
OTHER COMPREHENSIVE INCOME (OCI)			
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(6,580)**	**(162,443)**
Earnings per equity share:- Basic and diluted (CNY.)	16	(188)	(8,122)

The accompanying notes 1 to 22 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Place Mumbai
Date: February 02 2023

Hexaware Information Technologies (Shanghai) Company Limited

Shyam J Mansukhani
Authorised Signatory

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL	**As at December 31, 2022**	**As at December 31, 2021**
Outstanding at the beginning of the period	1,197,792	1,197,792
Changes in equity share capital during the period	-	
Outstanding at the end of the period	**1,197,792**	**1,197,792**

B. OTHER EQUITY

	Reserves and surplus	**Total equity**
	Retained earnings	
Balance as at January 01, 2022	(831,197)	(831,197)
Loss for the year	(6,580)	(6,580)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	**(837,777)**	**(837,777)**
Balance as at December 31, 2022	**(837,777)**	**(837,777)**
Balance as at January 01, 2021	(668,754)	(668,754)
Loss for the year	(162,443)	(162,443)
Other comprehensive income / (losses) (net of tax)	-	-
Total comprehensive income	**(831,197)**	**(831,197)**
Balance as at December 31, 2021	**(831,197)**	**(831,197)**

The accompanying notes 1 to 22 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Information Technologies (Shanghai) Company Limited

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)	For the year ended	
Statement of Cash Flows for the year ended December 31, 2022	**December 31, 2022**	**December 31, 2021**
Cash flow from operating activities		
Loss before tax	**(6,580)**	**(162,443)**
Adjustments for:		
Interest income	(395)	(657)
Operating Loss before working capital changes	**(6,975)**	**(163,100)**
Adjustments for:		
Trade receivables and other assets	(78,209)	11,276
Trade payables, other liabilities and provisions	(77,818)	(14,905)
Cash generated from operations	**(163,001)**	**(166,729)**
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	-	322,875
Interest paid	395	657
Net cash used in from financing activities	**395**	**323,532**
Net increase in cash and cash equivalents	**(162,606)**	**156,803**
Cash and cash equivalents at the beginning of the year	284,758	127,955
Cash and cash equivalents at the end of the year (Refer to note 11)	**122,152**	**284,758**

The statement of cash flows has been prepared using the indirect method as set out in Ind AS 7.

The accompanying notes 1 to 22 form an integral part of the financial statements.
As per our report of even date attached

For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Information Technologies (Shanghai) Company Limited

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Information Technologies (Shanghai) Company Limited incorporated on 15th December 2017. The Company is engaged in providing business process outsourcing / Call center services. It operates in various service lines like Human Resource outsourcing, Healthcare outsourcing, Finance/ Accounts Management and Knowledge Process Outsourcing. The Company is the Wholly Owned subsidiary of Hexaware Technologies Ltd India.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Chinese Yuan (CNY) which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is India though the Company also files tax returns in overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.4 Revenue Recognition

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 a 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.

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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.5 Leases (Continued)

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.
The Company has made use of the following pratical expedients available while applying Ind AS 116 -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has recognized the rent concessions granted by the lessor due to the COVID-19 in the standalone statement of profit and loss and has not considered it as lease modification.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*
2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

The Company contribtues to the employee benefit Scheme as per the Labour Law Regulations as applicable in China.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.8 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Impairment
a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a Company of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

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Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the

Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Hexaware Information Technologies (Shanghai) Company Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

3 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1st, 2022, as below:

Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the interim condensed financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its interim condensed financial statements.

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification dated 24th March 2021 have been made to the extent they are applicable to the Company.

Hexaware Information Technologies (Shanghai) Company Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

4 Right-of-use assets

	Office premises 1	Total
Cost as at January 01, 2022	61,075	61,075
Additions	-	-
Cost as at December 31, 2022	**61,075**	**61,075**
Accumulated amortization as at January 01, 2022	61,075	61,075
Amortisation for the year	-	-
Accumulated amortization as at December 31, 2022	**61,075**	**61,075**
Net carrying amount as at December 31, 2022	**-**	**-**
Cost as at January 01, 2021	61,075	61,075
Additions	-	-
Cost as at December 31, 2021	**61,075**	**61,075**
Accumulated amortization as at January 01, 2021	61,075	61,075
Amortisation for the year	-	-
Accumulated amortization as at December 31, 2021	**61,075**	**61,075**
Net carrying amount as at December 31, 2021	**-**	**-**

Hexaware Information Technologies (Shanghai) Company Limited

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5 Other financial assets

A Other financial assets – Current	As at December 31, 2022	As at December 31, 2021
Security deposits for premises and others	1,000	1,000
Total	**1,000**	**1,000**

B Other assets – Non-current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	604	2,608
Total	**604**	**2,608**

6 Other assets – Current	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	2,000	2,000
Total	**2,000**	**2,000**

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

7 Trade receivables

A Trade receivables - Billed - Current (Unsecured)	As at December 31, 2022	As at December 31, 2021
Considered good	152,412	234,191
Considered doubtful	-	-
Total	**152,412**	**234,191**

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	152,412	-	-	-	-	**152,412**
	-	152,412	-	-	-	-	152,412
Less - Allowance for Doubtful trade receivable							-
							152,412
Unbilled receivables							91,020
							243,432

B Ageing for trade receivables as at December 31, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	234,191					**234,191**
	-	234,191	-	-	-	-	234191
Less - Allowance for Doubtful trade receivable							-
							234,191
Unbilled receivables							2,460
							236,650

The activity in the allowance for doubtful debts is given below:	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	-	-
Additions during the year, gross	-	-
Amounts recovered during the year	-	-
Translation exchange difference	**-**	**-**

8 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022	As at December 31, 2021
In current accounts with banks	122,152	284,758
Total	**122,152**	**284,758**

Hexaware Information Technologies (Shanghai) Company Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

9 Equity

9.1 Authorised capital	**As at December 31, 2022**	**As at December 31, 2021**
100 Equity shares of USD. 5000 each	3,420,000	3,420,000

9.2 Issued, subscribed and paid-up capital	**As at December 31, 2022**	**As at December 31, 2021**
35 Equity shares of USD. 5000 each	1,197,792	3,420,000

9.3 Reconciliation of number of shares	**As at December 31, 2021**	**As at December 31, 2020**
Shares outstanding at the beginning of the period	1,197,792	874,917
Shares issued during the period on exercise of employee stock options	-	322,875
	1,197,792	**1,197,792**

9.4 There is no movement in the share capital during period ended September 30,2022 and December 31,2022

9.4 Details of shares held by promoters		**As at December 31, 2022**	**As at December 31, 2021**
Name of the shareholder			
Hexaware Technologies Limited India	No. of shares held	35	35
	% of holding	100%	100%

Hexaware Information Technologies (Shanghai) Company Limited

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Notes forming part of Financial Statements for the year ended December 31, 2022

10 Other financial liabilities

	As at December 31, 2022	As at December 31, 2021
Other financial liabilities - Current		
Employee liabilities	39,896	39,898
Total	**39,896.00**	**39,898**

11 Other liabilities

	As at	
	December 31, 2022	December 31, 2021
Other liabilities - Current		
Statutory liabilities	42,708	65,958
Unearned revenues	-	54,566
Total	**42,708.00**	**120,524.00**

12 Revenue

12.1 Disaggregated revenue with the customers by Geography is as under :

	As at	
	December 31, 2022	December 31, 2021
Geography		
APAC	905,355	3,116,675
Total	**905,355**	**3,116,675**

12.2 Revenue disaggregation by contract type is as follows:

	As at	
	December 31, 2022	December 31, 2021
Onshore	100%	100%
Total revenue from operations	**100%**	**100%**

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Notes forming part of Financial Statements for the year ended December 31, 2022

12.3 Changes in Contract Liabilities / Unearned revenues are as follows:

	For the year ended	
	December 31, 2022	December 31, 2021
Balance as at the beginning of the year	-	598,199
Revenue recognised during the year		(598,199)
Additions during the year		-
Balance as at the end of the year	-	-

13 Other income

	For the year ended	
	December 31, 2022	December 31, 2021
Interest income	395	657
Miscellaneous income	18,915	-
Total	**19,310**	**657**

14 Employee benefits expense

	For the year ended	
	December 31, 2022	December 31, 2021
Salary and allowances	627,300	722,385
Contribution to provident, other funds and benefits	136,302	142,002
Staff welfare expenses	-	3,582
Total	**763,602**	**867,969**

15 Operating and other expenses

	For the year ended	
	December 31, 2022	December 31, 2021
Rates and taxes	(2)	6,903
Travelling and conveyance	19,035	16,066
Communication expenses	836	700
Outside Services Hire - Consul	131,258	
Repairs and maintenance	-	2,363,341
Legal and professional fees	5,956	7,780
Bank and other charges	1,897	2,093
Miscellaneous expenses	2,004	12,787
Total	**160,985**	**2,409,670**

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

16 Earnings per share (EPS)

	For the year ended	
The components of basic and diluted EPS:	**December 31, 2022**	**December 31, 2021**
Net loss after tax	(6,580)	(162,443)
Weighted average outstanding equity shares considered for basic and diluted EPS	35	20
Basic and diluted earnings per share (In CNY)	(188)	(8,122.16)

17 Related party disclosures

A Names of related parties	Country
Ultimate Holding Company and it's subsidiaries	
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
Holding Company (control exists)	
Hexaware Technologies Limited	India

B Key Management Personnel (KMP)

Shyam Mansukhani

Transactions	**December 31,2022**	**December 31,2021**
Subscription to Capital by Holding Company		
Hexaware Technologies Limited,India Holding Company	1,197,792	1,197,792

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

	For the Year ended	
Software and consultancy income	**December 31, 2022**	**December 31, 2021**
Fellow Subsidiaries		
Hexaware Technologies Inc., USA	85,534	262,061
Hexaware Technologies Asia Pacific Pte Ltd - Singapore	-	82,808
	85,534	**344,869**
Holding Company		
Hexaware Technologies Limited(India)	792,142	-
	792,142	-
Recovery of cost from		
Fellow		
Hexaware Technologies Inc., USA	5,132	15,724
Hexaware Technologies Asia Pacific Pte Ltd - Singapore	-	4,969
	5,132	**20,693**
Outstanding Balances		
Trade and other receivables		
Hexaware Technologies Inc., USA		90,370
Hexaware Technologies Asia Pacific Pte Ltd - Singapore	-	
	-	**90,370**
Holding Company		
Hexaware Technologies Limited(India)	152,412	
	152,412	**-**
Unbilled Receivables		
Holding Company		-
Hexaware Technologies Limited(India)	91,020	-
	91,020	**-**
Share Capital		
Holding company	1,197,792	1,197,792
	1,197,792	**1,197,792**

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

18 Financial Instruments

(i) The carrying value / fair value of financial instruments (other than investment in subsidiaries and associates) by categories as at December 31, 2022 is as follows

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying / fair value
Cash and cash equivalents	122,152	-	-	122,152
Trade receivables	152,412	-	-	152,412
Unbilled receivables	91,020	-	-	91,020
Other financial assets	1,000	-	-	1,000
Total	**366,584**	**-**	**-**	**366,584**
Other financial liabilities	39,896	-	-	39,896
Total	**39,896**	**-**	**-**	**39,896**

(ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2021 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying / fair value
Cash and cash equivalents	284,758	-	-	284,758
Trade receivables	234,191	-	-	234,191
Unbilled receivables	2,460	-	-	2,460
Other financial assets	1,000	-	-	1,000
Total	**522,408**	**-**	**-**	**522,408**
Other financial liabilities	39,898	-	-	39,898
Total	**39,898**	**-**	**-**	**39,898**

Hexaware Information Technologies (Shanghai) Company Limited

(Amount in CNY, except share and per share data, unless otherwise stated)
Notes forming part of Financial Statements for the year ended December 31, 2022

19 Employee benefits:

The Company, during the year contributed CNY136,302 (Previous year CNY 142,002) towards various other defined contribution plans and benefits as per laws of the country.

20 Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)1	Total Current Assets	Total Current Liability	4.46	3.27	36.50%
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.00	0.00	0.00%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	NA	NA	NA
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	(0.02)	(0.57)	-96.81%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	3.77	13.18	-71.38%
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Average trade payables	NA	NA	NA
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	2.79	10.93	-74.52%
Net profit ratio (in %)	Profit for the year	Revenue from operations	(0.01)	(0.05)	-86.06%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	(0.02)	(0.44)	-95.88%

1 Due to decrease in trade receivables,cash balance in Yr 2022.

21 Material events after Balance Sheet date:
There is no significant event after reporting date which requires amendments or disclosure to these financial statements.

22 Figures of Previous years are regrouped and reclassified wherever necessary

As per our report of even date attached
For K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Hexaware Information Technologies (Shanghai) Company Limited

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)

Shyam J Mansukhani
Authorised Signatory

Place Mumbai
Date: February 02 2023

Independent Auditor's Report

TO THE MEMBERS OF HEXAWARE TECHNOLOGIES BELGIUM SRL

Report on the Audit of Special Purpose Ind AS Financial Statements

We have audited the special purpose Ind AS financial statements of Hexaware Technologies Belgium SRL ("the Company"), which comprise the Balance Sheet as at 31 December 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the special purpose Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022 and its profit (including other comprehensive income), its changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of Companies Act, 2013 ("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 Ind AS Financial Statements

The Company's management and board of directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 K. S. Bhatia & Associates
Chartered Accountants
(Firm's Registration No. 158315W)

Kaushik S. Bhatia
Proprietor
(Membership No. 046908)
UDIN: 23046908BGWWTQ3126

Mumbai, February 1, 2023

Hexaware Technologies Belgium SRL

Registered Office: Rue Des Colonies,11 BE 1000 Brussels, Belgium

(EUR, unless otherwise stated)

Balance Sheet as at December 31, 2022

	Note No.	As at December 31, 2022
ASSETS		
Current assets		
Financial assets:		
Trade receivables	4	421,061
Unbilled receivables		395,014
Cash and cash equivalents	5	316,966
Other current assets	6	20,387
Total current assets		**1,153,428**
TOTAL ASSETS		**1,153,428**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7	100,000
Other equity		77,503
Total equity		**177,503**
Non-current liabilities		
Trade payables		
Dues of micro enterprises and small enterprises	8A	-
Dues of other than micro enterprises and small enterprises	8B	458,447
Other financial liabilities		219,518
Other current liabilities	9	113,703
Provisions		
Employee benefit obligations in respect of compensated absences		180,257
Income tax liabilities (net)		4,000
Total current liabilities		**975,925**
TOTAL EQUITY AND LIABILITIES		**1,153,428**

The accompanying notes 1 to 21 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

KAUSHIK SHANTIKUMAR BHATIA

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Date: 2023.02.01 21:19:20 +05'30'

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder Singh

Director

Hexaware Technologies Belgium SRL

Registered Office: Rue Des Colonies,11 BE 1000 Brussels, Belgium

(EUR, unless otherwise stated)

Statement of Profit And Loss for the year ended December 31, 2022

	Note No.	For the year ended December 31, 2022
INCOME		
Revenue from operations	10	2,193,046
Other income	11	(708)
TOTAL INCOME		**2,192,338**
EXPENSES		
Employee benefits expense	12	1,952,780
Operating and other expenses	13	135,055
TOTAL EXPENSES		**2,087,835**
PROFIT BEFORE TAX		**104,503**
Tax expense		
Current tax	14	27,000
Total tax expense		**27,000**
PROFIT FOR THE YEAR		**77,503**
Basic Earnings per share (In EUR)		
Basic and Diluted	15	7.75

The accompanying notes 1 to 21 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

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Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder Singh

Director

Hexaware Technologies Belgium SRL

Registered Office: Rue Des Colonies,11 BE 1000 Brussels, Belgium

(EUR, unless otherwise stated)

Statement of Changes in Equity for the year ended December 31, 2022

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
-	**100,000**	**100,000**

B. OTHER EQUITY

	Reserves and surplus	Other comprehensive income	Total equity
	Retained earnings		
Balance as at January 01, 2022	-		-
Profit for the year	77,503		77,503
Balance as at December 31, 2022	**77,503**		**77,503**

The accompanying notes 1 to 21 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

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Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder

Amrinder Singh
Director

Hexaware Technologies Belgium SRL

Registered Office: Rue Des Colonies,11 BE 1000 Brussels, Belgium

(EUR, unless otherwise stated)

Statement of Cash Flows for the year ended December 31, 2022	**For the year ended December 31, 2022**
Cash flow from operating activities	
Profit before tax	**104,503**
Adjustments for:	
Interest income	(74)
Operating profit before working capital changes	**104,429**
Adjustments for:	
Trade receivables and other assets	(836,462)
Trade payables, other liabilities and provisions	971,925
Cash generated from operations	**239,892**
Direct taxes paid (net)	(23,000)
Net cash generated from operating activities	**216,892**
Cash flow from investing activities	
Interest received	74
Net cash generated from investing activities	**74**
Cash flow from financing activities	
Proceeds from issue of shares	100,000
Net cash flow from financing activities	**100,000**
Net increase in cash and cash equivalents	**316,966**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (Refer to note 5)	**316,966**

The accompanying notes 1 to 21 form an integral part of the financial statements.

As per our report of even date attached

For K.S. Bhatia & Associates

Chartered Accountants

Firms' registration number :158315W

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pseudonym=c761f79bdfdadc1f0da11013495f2745
Date: 2023.02.01 21:20:52 +05'30'

Kaushik Bhatia

Proprietor

Membership number: 046908

Place: Mumbai

Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder Singh

Director

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

1 Company Overview

Hexaware Technologies Belgium SRL , incorporated on 15th March 2021 under the laws of Belgium, and commenced operations on 1st January 2022, is a subsidiary of Hexaware Technologies UK Limited. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, 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 independent testing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in EUR which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current years classification/disclosures.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date, as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Cost to fulfill contract are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is Belgium . Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.3.2 Others

Others areas involving estimates relates to provision for the doubtful debts.

2.4 Revenue Recognition

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 a 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 recognised 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.

Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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.

Revenues in excess of billing are classified as Unbilled receivables while billing in excess of revenues are classified as Contract liabilities (Unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Company recognises an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

2.5 Leases

The Company follows s 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 as per Ind AS 116.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognised in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Other Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2 Significant Accounting Policies *(Continued)*

2.8 Employee Benefits

a) Post-employment benefits

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid to tax authorities using enacted or substantively enacted tax rates .

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.10 Impairment

Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.11 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2 Significant Accounting Policies *(Continued)*

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

2.13 Share capital

Equity shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

2 Significant Accounting Policies *(Continued)*

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual reporting periods beginning on or after April 1, 2022, as below:

1.Ind AS 103 – Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

2.Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its recognition of its property, plant and equipment in the consolidated financial statements.

3.Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asset

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

4.Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

5. Others

The Information with regard to other matters specified in Schedule III to the Companies Act,2013, is either nil or not applicable to the Company for the year. The disclosures required by the amendment to Schedule III of the Companies Act.2013 as per Ministry of Company Affairs Notification

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

4 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2022
Considered good	421,061
	421,061

B Trade receivables ageing

Ageing for trade receivables as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	96,443	56,975	-	-	-	-	153,418
Undisputed trade receivables – considered good (RPT)	181,703	85,940	-	-	-	-	267,643
	278,146	142,915	-	-	-	-	421,061
Less - Allowance for Doubtful trade receivable							-
							421,061
Unbilled receivables							395,014
							816,075

5 Cash and bank balances

Cash and cash equivalents	As at December 31, 2022
In current accounts with banks	316,966
Total	316,966

6 Other assets

Other assets – Current	As at December 31, 2022
Prepaid expenses	1,883
Contracts assets	15,504
Employee advances	3,000
Total	**20,387**

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

7 Equity

	As at December 31, 2022
7.1 Authorised capital	**Amount in EUR**
10,000 Equity shares of EUR 10/- each	100,000

	As at December 31, 2022
7.2 Issued, subscribed and paid-up capital	
10,000 EQUITY SHARES OF EUR 10/- EACH FULLY PAID	100,000

	As at December 31, 2022
7.3 Reconciliation of number of shares	
Shares outstanding at the beginning of the year	-
Shares issued during the year	10,000
Shares outstanding at the end of the year	**10,000**

7.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of EUR. 10 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.

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

Name of the shareholder		**As at December 31, 2022**
Hexaware Technologies UK Limited	No. of shares held	10,000
	% of holding	100%

7.6 Details of shares held by promoters

Name of the shareholder		**As at December 31, 2022**
Hexaware Technologies UK Limited	No. of shares held	10,000
	% of holding	100%

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

8 Trade payables

	As at December 31, 2022
A Dues of micro enterprises and small enterprises	-
Total	-
B Dues of other than micro enterprises and small enterprises	
Trade payables	448,506
Accrued expenses	9,941
Total	**458,447**

C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables						
Others	349,492	99,014	-	-	-	448,506
	349,492	99,014	-	-	-	448,506
Accrued Expenses						9,941
Total						458,447

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

9 Other liabilities

	As at December 31, 2022
Other liabilities - Current	
Statutory liabilities	113,703
Total	**113,703**

10 Revenue from Operations

10.1 Revenue disaggregation by geography is as follows:

	For the year ended December 31, 2022
Geography	
Belgium	267,969
Other	1,925,077
Total	**2,193,046**

10.2 The disaggregated revenue with the customers for the year ended 31 December 2022 by contract type:

	For the year ended December 31, 2022
Onsite	2,126,178
Offshore	66,868
Total revenue from operations	**2,193,046**
Onsite	97%
Offshore	3%
Total revenue from operations	**100%**

10.3 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended December 31, 2022
Contracted price	2,193,046
Reductions towards variable consideration components (discounts, rebate)	-
Revenue recognised	**2,193,046**

10.4 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	For the year ended December 31, 2022
Within 1 year	-
More than 1 year	-

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to any changes in the transaction price.

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

11 Other income	**For the year ended December 31, 2022**
Interest income	74
Exchange rate difference (net)	(782)
Total	**(708)**

12 Employee benefits expense	**For the year ended December 31, 2022**
Salary and allowances	1,624,842
Contribution to provident, other funds and benefits	277,768
Total	**1,952,780**

13 Operating and other expenses	**For the year ended December 31, 2022**
Rent	27,764
Repairs and maintenance	5,005
Rates and taxes	484
Travelling and conveyance	29,202
Communication expenses	427
Legal and professional fees	40,357
Advertisement and business promotion	29,448
Bank and other charges	760
Miscellaneous expenses	1,608
Total	**135,055**

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

14 Income taxes

A Income tax expense is allocated as follows :

	For the year ended December 31, 2022
Income tax expense as per the Statement of Profit and Loss	27,000
	27,000

B The reconciliation of estimated income tax expense at the statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

	For the year ended December 31, 2022
Profit before tax	104,503
Expected tax expense at the enacted tax rate of 25%	26,126
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :	
Others	874
	27,000

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

15 Earnings per share (EPS)

	For the year ended December 31, 2022
The components of basic and diluted EPS:	
Net profit after tax	77,503
Weighted average outstanding equity shares	10,000
Basic and diluted earnings per share (In EUR)	7.75

16 Related party disclosures

A Names of related parties

Names of related parties	Country
Ultimate Holding Company	
Baring Private Equity Asia GP V. LP, (Ultimate holding entity) (control exists) (upto November 10,2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP, (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, (upto November 10,2021)	Mauritius
HT Global IT solutions Holding Limited- till November 10, 2021	Mauritius
HT Global Holdings B.V. - till November 10, 2021	Netherlands
CA Magnum Holdings- w.e.f. November 11, 2021	Mauritius
Hexaware Technologies Limited	India
Holding Company	
Hexaware Technologies UK Limited	UK

B Key Management Personnel (KMP)

Mr. Amrinder Singh

C Details of transactions with related party

Sr no.	Particulars	Nature of Relationship	For the year ended December 31, 2022
1	Software and Consultancy Income (Rendering of Services)	Ultimate Holding Company	1,925,077

D Outstanding Balances

Sr no.	Particulars	Nature of Relationship	For the year ended December 31, 2022
1	Sundry Creditors	Holding Company	437,913
2	Sundry Debtors	Ultimate Holding Company	662,657

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

17 Financial Instruments

Category of financials instrument

All financial instruments are measured at amortised cost. Carrying amount of cash and cash equivalents and liabilities approximate the fair value because of their short term nature.

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 observed and the significance of the inputs to the fair value measurements in its entirely, 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

(i) The carrying value / fair value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	316,966	-	-	-	316,966
Trade receivables	421,061	-	-	-	421,061
Unbilled receivables	395,014	-	-	-	395,014
Total	**1,133,041**	**-**	**-**	**-**	**1,133,041**
Trade payables	458,447	-	-	-	458,447
Other financial liabilities	219,518	-	-	-	219,518
Total	**677,965**	**-**	**-**	**-**	**677,965**

Notes

1 Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, other financial assets, trade payables and other financial 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 period presented.

17 Financial Instruments (continued)

Financial risk management

The Company has identified the risk of client concentration risk, credit risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) Client concentration risk

100% of the revenue of 2022 is generated from 3 clients . Any loss or major downsizing by this client may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

(ii) Credit risk

Since most of our transactions are done on credit, we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of EUR 421,061 as at December 31, 2022.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 4 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables

Top 3 customer dues contribute 100% of the total outstanding as at December 31, 2022.

Cash and cash equivalents include current account balances with banks.

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

17 Financial Instruments (continued)

(iii) Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

The Company has increased its liquidity position by maintaining high cash / bank balances.

As at December 31, 2022, the Company had total cash / bank balance and investments of EUR 316,966, which constitutes approximately 27% of total assets. The Company does not have any debt and thus manages its liquidity requirements through funds generated from operations.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Trade and other payables	458,447	-	-	-	458,447
Others	219,518	-	-	-	219,518
Total	**677,965**	**-**	**-**	**-**	**677,965**

(iv) Interest rate risk

The Company does not have any debt. Hence, the Company is not significantly exposed to interest rate risk.

Hexaware Technologies Belgium SRL

(EUR, unless otherwise stated)

Notes forming part of Financial Statements for the year ended December 31, 2022

18 Employee Benefit Expenses

The Company recognized EUR 277,768 for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

19 Segment reporting

The reportable business segments have been identified taking into account the services offered to customers globally operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by below business. The Group's organization structure reflects the industry segmentation. Following are the business segments:

i) Banking and financial services (BFS)
ii) Healthcare and Insurance (H & I)
iii) Hi-Tech Professional services (HTPS)

Segment results for the year ended December 31, 2022

	BFS	H & I	HTPS	Total
Revenue	152,465	115,504	1,925,077	2,193,046
Expenses	(145,151)	(109,962)	(1,832,722)	(2,087,835)
Segment profit	**7,314**	**5,541**	**92,355**	**105,211**
Add: Exchange rate differences (net)				(782)
Add: Other income				74
Profit before tax				**104,503**
Less: Tax expense				(27,000)
Profit after tax				**77,503**

20 Additional Regulatory Information - Financial ratios

This is the first year of operations of Company. So this note is not applicable.

21 Other updates

A Material events after Balance Sheet date:

There is no significant event after reporting date which requires amendments or disclosure to these financial statements.

B Approval of the financial statements:

The financial statements were approved for issue by the Board of Directors on February 1, 2023.

For K.S. Bhatia & Associates
Chartered Accountants
Firms' registration number :158315W

KAUSHIK SHANTIKUMAR BHATIA

Digitally signed by KAUSHIK SHANTIKUMAR BHATIA
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serialNumber=7d4f65d05220a3b38388da44e5e55df705ce49e91
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Kaushik Bhatia
Proprietor
Membership number: 046908
Place: Mumbai
Date: February 1, 2023

For and on behalf of the Board of Directors

Amrinder Singh
Director

BDO

Tel: +91 22 6831 1600
www.bdo.in

Floor 6, Raheja Titanium
Western Express Highway
Geetanjali Railway Colony, Ram Nagar
Goregaon (E), Mumbai 400063, INDIA

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

To the Board of Directors of Hexaware Technologies Limited

Report on the Audit of the Special purpose Financial Statements

Opinion

We have audited the accompanying Special purpose Financial Statements of Mobiquity Inc (hereinafter referred to as "the Company"), which comprise the Special purpose balance sheet as at December 31, 2022, statement of profit and loss (including other comprehensive income), statement of cash flow and statement of changes in equity for the year ended December 31, 2022, and related notes to the Special purpose Financial Statements, including a summary of significant accounting policies.

The Special purpose Financial Statements have been prepared by management of the Company in accordance with significant accounting policies included in Hexaware Technologies Limited's (hereinafter referred to as "the Holding Company") financial statements for the year ended December 31, 2022, which are in accordance with Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act").

However, these Special purpose Financial Statements do not include all the disclosures required by Ind AS or included in Holding Company's Ind AS financial statements and therefore cannot be said to be compliant with Ind AS in all respects.

In our opinion, the accompanying Special purpose Financial Statements of the Company for the year December 31, 2022 are prepared in all material respects, in accordance with the recognition and measurement principles used in Holding Company's financial statements for year ended December 31, 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing("ISAs"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special purpose Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special purpose Financial Statements, 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.

Restriction on Distribution and Use

The Special purpose Financial Statements have been prepared for the purpose of internal use of Holding Company and to comply with the requirements of Section 137(1) of the Act in India. As a result, the Special purpose Financial Statements are not a complete set of financial statements of the Company in accordance with Ind AS. It should not be used by any other person or for any other purpose. BDO India LLP shall not be liable to the Company or to any other concerned person for any claims, liabilities or expenses relating to this audit report or Special purpose financial statements.

Responsibilities of Management and those charged with Governance for Special purpose Financial Statements

Management is responsible for the preparation of these Special purpose Financial Statements in accordance with the significant accounting policies included in Holding Company's Ind AS financial statements for the year ended December 31, 2022; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of Special purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 doso.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose 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 ISAs 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 Special purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special purpose 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 expressing our opinion on whether the Company has internal financial controls with reference to Special purpose Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Special purpose 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 Special purpose Financial Statements, including the disclosures, and whether the Special purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

BDO India LLP

BDO India LLP
Place: Mumbai
Date: February 02, 2023

MOBIQUITY INC.
SPECIAL PURPOSE BALANCE SHEET AS AT DECEMBER 31, 2022
(Amount in USD unless otherwise stated)

	Notes	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	232,573	184,931
Right to use assets	4	509,182	504,591
Investments in subsidiaries		4,137,000	4,137,000
Financial assets			
Other financial assets	8	325,158	298,800
Deferred Tax Assets (Net)	5b	2,340,000	2,340,000
Total Non-current assets		**7,543,913**	**7,465,322**
Current assets			
Financial assets			
Trade receivables	6	8,156,634	5,464,317
Contract assets		205,631	81,430
Cash and cash equivalents	7	12,012,692	4,039,063
Other financial assets	8	10,184,001	14,969,794
Other current assets	9	962,276	1,182,306
Total Current assets		**31,521,234**	**25,736,910**
Total Assets		**39,065,147**	**33,202,232**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	10	10
Other equity	11	32,184,227	25,141,871
Total equity		**32,184,237**	**25,141,881**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	12	348,550	282,063
Provision for sales tax accrual	15	50,000	50,000
Total non-current liabilities		**398,550**	**332,063**
Current liabilities			
Financial liabilities			
Lease liabilities	12	244,522	326,336
Trade payables	13	1,501,559	859,561
Other financial liabilities	14	3,235,581	5,053,996
Contract Liabilities		733,782	371,708
Provisions	15	448,391	441,869
Current tax liabilities (Net)		105,160	86,342
Other current liabilities	16	213,365	588,476
Total current liabilities		**6,482,360**	**7,728,288**
Total liabilities		**6,880,910**	**8,060,351**
Total equity and liabilities		**39,065,147**	**33,202,232**

The accompanying notes form an integral part of the Special purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Inc.

R. Srikrishna
Director

Place: New Jersey
Date: Jan 31, 2023

MOBIQUITY INC.

SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amount in USD unless otherwise stated)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
Income			
Revenue from operations	17	55,745,857	49,358,779
Other income	18	1,356,179	1,690,742
Total income		**57,102,036**	**51,049,521**
Expenses			
Software and development expenses	19	13,653,087	10,385,958
Employee benefits expense	20	32,365,051	31,820,375
Finance costs	21	24,276	38,003
Depreciation expenses	22	484,214	891,808
Impairment loss on financial asset	23	52,636	-
Other expenses	24	3,329,282	2,827,875
Total expenses		**49,908,546**	**45,964,019**
Profit before tax		**7,193,490**	**5,085,502**
Tax expense			
Current tax	5a	151,134	86,342
Deferred Tax (credit)	5c	-	(2,359,390)
Total tax expense		**151,134**	**(2,273,048)**
Profit for the year		**7,042,356**	**7,358,550**
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		**7,042,356**	**7,358,550**
Earnings per share (Face Value USD 0.001 per share)			
Basic and diluted earnings per share (USD)	25	704.24	735.86

The accompanying notes form an integral part of the Special purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Inc.

R. Srikrishna
Director

Place: New Jersey
Date: Jan 31, 2023

MOBIQUITY INC.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amount in USD unless otherwise stated)

	For the year ended December 31, 2022	For the year ended December 31, 2021
A. Cash flow from operating activities		
Profit before tax	7,193,490	5,085,502
Adjustments for:		
Depreciation expenses	484,214	891,808
Lease Derecognised	-	28,726
Finance cost	24,276	38,003
Impairment loss on financial asset	52,636	-
Operating profit before working capital changes	**7,754,616**	**6,044,039**
Changes in working capital		
Increase/ (Decrease) in trade payables	641,998	220,903
(Decrease) in contract liabilities	362,074	156,520
(Decrease) in other financial liabilities	(1,818,415)	(459,580)
(Decrease)/Increase in other liabilities	(375,111)	(227,247)
Increase / (Decrease) in provision	6,522	(19,055)
Decrease/(Increase) in trade receivables	(2,744,953)	514,250
Decrease/(Increase) in contract assets	(124,201)	765,024
Decrease/(Increase) in other financial assets	4,759,435	(4,160,009)
Decrease/(Increase)in other current assets	220,030	26,949
Net Changes in working capital	**927,379**	**(3,182,245)**
Income tax paid	(108,040)	-
Net cash generated from operating activities (A)	**8,573,955**	**2,861,794**
B. Cash flow from Investing activities		
Payment for purchase of property, plant and equipment	(173,785)	(109,240)
Net cash (used) in investing activities (B)	**(173,785)**	**(109,240)**
C. Cash flow from Financing activities		
Lease Liability payment	(402,265)	(731,803)
Dividend	-	(700,000)
Finance cost	(24,276)	(38,003)
Net cash (used) in financing activities (C)	**(426,541)**	**(1,469,806)**
Net decrease in cash and cash equivalents (A+B+C)	7,973,629	1,282,748
Cash and cash equivalents at the beginning of the year	4,039,063	2,756,315
Cash and cash equivalents at the end of the year	**12,012,692**	**4,039,063**
Cash and cash equivalents comprise (Refer Note 7)		
Balances with banks		
On current accounts	12,012,692	4,039,063
Total cash and cash equivalents at end of the period	**12,012,692**	**4,039,063**

The accompanying notes form an integral part of the Special purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Inc.

R. Srikrishna
Director

Place: New Jersey
Date: Jan 31, 2023

MOBIQUITY INC.
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount in USD unless otherwise stated)

(A) Equity Share Capital

Particulars	Note	Total
Balance as at January 1, 2022		**10**
Changes in equity share capital	10	-
Balance as at December 31, 2022		**10**
Particulars	**Note**	**Total**
Balance as at January 1, 2021		**10**
Changes in equity share capital	10	-
Balance as at December 31, 2021		**10**

(B) Other equity

Particulars	Additional paid in capital	Retained earnings	Total
Balance as at January 1, 2022	**10,512,182**	**14,629,689**	**25,141,871**
Profit/(Loss) for the year	-	7,042,356	7,042,356
Other comprehensive income for the period	-	-	-
Balance as at December 31, 2022	**10,512,182**	**21,672,045**	**32,184,227**
Balance as at January 1, 2021	**10,512,182**	**7,971,139**	**18,483,321**
Correction of an error related to previous years		(700,000)	**(700,000)**
Opening Balances (Out-of period adjustment)	**10,512,182**	**7,271,139**	**17,783,321**
Profit/(Loss) for the year	-	7,358,550	7,358,550
Balance as at December 31, 2021	**10,512,182**	**14,629,689**	**25,141,871**

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Inc.

R. Srikrishna
Director

Place: New Jersey
Date: Jan 31, 2023

MOBIQUITY INC.

NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022

1 Corporate Information

Mobiquity Inc. ("Mobiquity" or "the Company") is a Delaware corporation incorporated on November 17, 2010. The Company is headquartered in Waltham, Massachusetts, and operates in the United States. The Company delivers effortless digital experiences spanning mobile, web, voice and internet of things on behalf of leading enterprise brands. It provides strategy, experience design, product engineering, cloud and analytics services to help clients drive deeper digital engagement and improve loyalty, under both fixed price and 'time and materials' arrangements.

On June 13, 2019, Hexaware Technologies Limited ('Hexaware' or the 'Holding Company'), a public limited company incorporated in India, acquired 100% shareholding of the Company along with its subsidiaries. Consequent to acquisition of 100% shareholding, the Company became wholly owned subsidiary of Hexaware. Hexaware is a leading Global IT consulting and digital solutions Company. The acquisition was routed by incorporating a new entity - Montana Merger Sub Inc. Mobiquity Inc. subsequently merged into , Montana Merger Sub Inc. which was subsequently renamed back to Mobiquity Inc. Consequent this, Mobiquity Inc. became wholly owned subsidiary of Hexaware. These standalone financial statements have been prepared as if it is a continuation of the erstwhile Mobiquity Inc.

2 Significant Accounting Policies

2.1 Basis of preparation and presentations

The Special Purpose Standalone Financial Statements ('Financial statements') are prepared solely for inclusion in Consolidated financial statement of Hexaware Technologies Limited ('Holding Company') and also in order to comply with the provision of section 137(1) of the Companies Act, 2013 ('the Act') in India.

The financial statements comply in all material aspects with respect to recognition and measurement requirements of Holding company's accounting policies. Holding company's accounting policies are in accordance with 'Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These financial statements do not include all required notes and disclosures as required under Ind AS, accordingly these financial statements cannot be construed as in compliance with Ind AS to that extent.

The Company prepares its financial statements in accordance with generally accepted accounting principles in United States ('US GAAP') set by the Financial Accounting Standards Board ('FASB') (referred to as "US GAAP financial statements"). The management of the Company has compiled the Special Purpose Standalone Financial Statements using the US GAAP Financial Statements and after incorporating required adjustments for GAAP differences between US GAAP and Ind AS applicable to the Company. The Company will continue reporting under applicable US GAAP for their local reporting.

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in United State Dollars (USD) which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.2 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Revenue from related parties on account of resource sharing : Revenue is billed to related parties after adding of a mark up percentage over cost incurred by the Company. The mark up is as per transfer pricing regulations applicable to the Company which suitably demonstrates the arm's length price.

(ii) Income-tax

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Others

Others areas involving estimates relates useful lives of Property, Plant and Equipment.

2.3 Revenue Recognition

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 Contract liability. Contract assets 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.

2.4 Leases - Ind AS 116

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use asset is determined on the same basis as those of property, plant and equipment. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

2.5 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.6 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss.

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2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**
Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) **Short term employee benefit**
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.8 Share based compensation
Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option outstanding account.

Employees of the Company are granted share based payments of Holding Company. The Holding Company makes recharge for these share based payment to the Company during the vesting period. The Holding Company determines the amount for recharge for the period based on total cost expected over the entire life, spread proportionately over vesting period. The recharge during the period by Holding company are recognised as employees expenses.

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2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from tax authorities using enacted or substantively enacted tax rates.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined based on the expert technical advice / stipulation of Schedule II of the Act:

Asset Class	Estimated useful Life
IT Equipments	3 years
Office Equipment	3-5 years
Furniture and Fixtures	3-5 years

Leasehold improvements and leasehold equipments are amortised over the lease period or useful life of an asset whichever is less.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a Company of financial assets is impaired under Ind AS 109.

"Financial Instrument" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses. if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.12 Provisions and contingent liabilities

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

2.13 Non derivative financial instruments

Financial assets and liabilities are recognised when Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair value measured on initial recognition of financial asset or financial liability.

a) Financial assets and financial liabilities - subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vi) Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or expired

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vii) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any.

(viii) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(ix) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

x) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risk of the host and are measured at fair value through profit or loss. Embedded derivative closely related to host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

xi) Derivative financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

b) Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

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2.14 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.15 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.16 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

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(Amount in USD unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Furniture and Fixtures	Office Equipment	IT Equipment's	Leasehold improvements	Total
Gross block					
As at January 1, 2021	262,558	145,626	1,079,322	125,383	1,612,889
Additions	-	-	107,897	1,343	109,240
Disposals	-	-	-	-	-
As at December 31, 2021	262,558	145,626	1,187,219	126,726	1,722,129
As at Jan 1, 2022	262,558	145,626	1,187,219	126,726	1,722,129
Additions	-	-	173,785	-	173,785
Disposals	-	-	-	-	-
As at December 31, 2022	262,558	145,626	1,361,004	126,726	1,895,914
Accumulated depreciation					
As at January 1, 2021	226,625	144,388	831,275	90,233	1,292,521
Charge for the period	18,195	1,238	206,526	18,718	244,677
Disposals	-	-	-	-	-
As at December 31, 2021	244,820	145,626	1,037,801	108,951	1,537,198
As at Jan 1, 2022	244,820	145,626	1,037,801	108,951	1,537,198
Charge for the period	13,764	-	106,251	6,128	126,143
Disposals					-
As at December 31, 2022	258,584	145,626	1,144,052	115,079	1,663,341
Net Carrying amount					
As at December 31, 2021	17,738	-	149,418	17,775	184,931
As at December 31, 2022	3,974	-	216,952	11,647	232,573

4 RIGHT TO USE ASSETS

Particulars	Office premises	Total
Carrying amount as at January 1, 2021	1,180,448	1,180,448
Additions	-	-
Less: Adjustments	(28,726)	(28,726)
Less: Depreciation for the period	(647,131)	(647,131)
Carrying amount as at December 31, 2021	**504,591**	**504,591**
Carrying amount as at Jan 1, 2022	504,591	504,591
Additions	362,662	362,662
Less: Adjustments	-	-
Less: Depreciation for the period	(358,071)	(358,071)
Carrying amount as at December 31, 2022	**509,182**	**509,182**

5 DEFERRED TAXES & INCOME TAXES

5a The Company's income tax expense consists of the following:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current Tax	151,134	86,342
Deferred Tax	-	(2,359,390)
Income Tax Expense	**151,134**	**(2,273,048)**

5b Deferred taxes for the period ended December 31, 2022 arising from temporary differences and unused tax losses can be summarized below:

Particulars	Opening Balance	Recognized in statement of income	Closing balance
Deferred tax assets			
Net operating loss carry forward	2,340,000	-	2,340,000
Total deferred tax assets	**2,340,000**	**-**	**2,340,000**
Deferred tax liabilities			
Others	-	-	-
Total deferred tax liabilities	**-**	**-**	**-**
Net deferred tax assets/(liabilities)	**2,340,000**	**-**	**2,340,000**

There are unused tax losses amounting to USD 19,693,672 as at December 31, 2022 this unused loss is further adjusted by profit of USD 7,042,356 for the December 2022 and Net Unused loss is USD 12,651,316 for which no deferred tax asset has been recognized as there is no conclusive evidence to support the view that sufficient taxable profit will be generated by the entity in the future to offset such losses.On account of future changes in organisational method DTA is not recognised.

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6 TRADE RECEIVABLES (UNSECURED)

Particulars	As at December 31, 2022	As at December 31, 2021
Considered good	8,156,634	5,464,317
Credit Impaired	40,970	27,459
	8,197,604	**5,491,776**
Less : Allowance for expected credit losses	(40,970)	(27,459)
Total	**8,156,634**	**5,464,317**

7 CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2022	As at December 31, 2021
Balances with banks		
On current accounts	12,012,692	4,039,063
Total	**12,012,692**	**4,039,063**

8 OTHER FINANCIAL ASSETS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non current	Current	Non current	Current
Unsecured				
Financial assets at amortised cost :				
Receivable from related parties				
Receivable from Holding company	-	4,000,000	-	8,500,000
Receivables from other parties	-	6,184,001	-	6,469,794
Security Deposit	54,901	-	1,003	-
Deposits with bank	150,000	-	150,000	-
Restricted Cash (including margin money)	120,257	-	147,797	-
Total	**325,158**	**10,184,001**	**298,800**	**14,969,794**

9 OTHER ASSETS (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non current	Current	Non current	Current
Advance Tax	-	40,425	-	45,974
Capital advances	-	-	-	55,959
Prepaid Expenses	-	921,851	-	1,080,373
Total	**-**	**962,276**	**-**	**1,182,306**

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MOBIQUITY INC.
NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount in USD unless otherwise stated)

10 SHARE CAPITAL

Particulars	As at December 31, 2022	As at December 31, 2021
Issued, Subscribed and paid up		
10,000 Equity Shares of USD 0.001/- each, fully paid-up	10	10
Total	10	10

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	No. of shares	Amount
Outstanding as on beginning of the period	10,000	10
Outstanding as on end of the period	10,000	10

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding
Hexaware Technologies Inc.	10,000	100%	10,000	100%

11 OTHER EQUITY

Particulars	As at December 31, 2022	As at December 31, 2021
Retained earnings	21,672,045	14,629,689
Additional paid in capital	10,512,182	10,512,182
Total Other Equity	32,184,227	25,141,871

(a) Retained earnings

Particulars	As at December 31, 2022	As at December 31, 2021
Opening Balance as on beginning of the year	14,629,689	7,971,139
Correction of an error related to previous years	-	(700,000)
Opening Balances (Out-of period adjustment)	14,629,689	7,271,139
Add: Net profit for the year	7,042,356	7,358,550
Closing Balance as on end of the year	21,672,045	14,629,689

(b) Additional paid in capital

Particulars	As at December 31, 2022	As at December 31, 2021
Opening Balance as on beginning of the year	10,512,182	10,512,182
Movement during the year	-	-
Closing Balance as on end of the year	10,512,182	10,512,182

MOBIQUITY INC.

NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022

(Amount in USD unless otherwise stated)

12 LEASE LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non current	Current	Non current	Current
Unsecured :				
Lease Liabilities	348,550	244,522	282,063	326,336
Total	**348,550**	**244,522**	**282,063**	**326,336**

a) **Movement of lease liabilities**

Particulars	As at December 31, 2022	As at December 31, 2021
Opening Balance	608,399	1,340,202
Add: Additions	362,662	-
Add: Interest expenses	24,276	38,003
Less: Lease payments	(402,265)	(769,806)
Closing Balance	**593,072**	**608,399**

13 TRADE PAYABLES

Particulars	As at December 31, 2022	As at December 31, 2021
Trade payables	1,501,559	859,561
Total	**1,501,559**	**859,561**

14 OTHER FINANCIAL LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Payable to related parties	-	14,876	-	57,194
Accrued employee benefit expenses	-	2,914,835	-	4,567,050
Other Accrued expenses	-	305,870	-	429,752
Total	**-**	**3,235,581**	**-**	**5,053,996**

15 PROVISIONS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Provision for leave encashment	-	448,391	-	441,869
Provision for sales tax accrual	50,000	-	50,000	-
Total	**50,000**	**448,391**	**50,000**	**441,869**

16 OTHER LIABILITIES (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Statutory dues payable	-	213,365	-	588,476
Total	**-**	**213,365**	**-**	**588,476**

17 REVENUE FROM OPERATIONS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of services	55,745,857	49,358,779
Total	**55,745,857**	**49,358,779**

Timing of revenue recognition

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Services provided over a period of time	55,745,857	49,358,779
Total revenue from contracts with customers	**55,745,857**	**49,358,779**

18 OTHER INCOME

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Royalty fee	1,352,381	1,615,981
Interest income	3,798	3,155
Allowances for expected credit loss reversed	-	71,606
Total	**1,356,179**	**1,690,742**

19 SOFTWARE AND DEVELOPMENT EXPENSES

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Software expenses	13,653,087	10,385,958
Total	**13,653,087**	**10,385,958**

20 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries, wages and bonus	31,812,399	30,669,769
Employee stock option compensation cost in respect of Share based payment of Holding Company	552,652	1,150,606
Total	**32,365,051**	**31,820,375**

21 FINANCE COSTS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense		
- On lease liability	24,276	38,003
Total	**24,276**	**38,003**

22 DEPRECIATION EXPENSES

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Depreciation on Property, Plant and Equipment	126,143	244,677
Depreciation on right to use of assets	358,071	647,131
Total	**484,214**	**891,808**

23 IMPAIRMENT ON FINANCIAL ASSET

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Allowances for expected credit loss	40,970	27,459
Bad-debts written off	11,666	(27,459)
Total	**52,636**	**-**

24 OTHER EXPENSES

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Rent	151,001	-
Communication expenses	152,947	130,056
Travelling and conveyance	381,890	136,714
Professional fees	837,082	653,013
Insurance Charges	151,439	87,945
Marketing and advertising expenditure	871,498	925,398
Recruiting Expense	124,103	430,502
Foreign Exchange loss	293,571	1,725
Miscellaneous expenses	365,751	462,522
Total	**3,329,282**	**2,827,875**

25 EARNING PER SHARE (EPS)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit attributable to equity holders	7,042,356	7,358,550
Number of Equity Shares as at the end of period	10,000	10,000
Weighted average number of Equity Shares for basic and diluted EPS	10,000	10,000
Basic and Diluted Earnings per share of face value USD 0.001 per share	704.24	735.86

26 LEASES

Company has entered into non cancellable commercial lease agreements in respect of corporate offices. The lease term ranges between 36 to 84 months.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The below table provides the details regarding contractual maturities of lease liabilities on a discounted basis:

Particulars	As at December 31, 2022	As at December 31, 2021
Within one year	244,522	326,336
After one year but not more than five years	348,550	282,063

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The weighted average incremental borrowing rate applied to lease liabilities 4.00%

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MOBIQUITY INC.

NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022

(Amount in USD unless otherwise stated)

27 CONTINGENT LIABILITY AND COMMITMENTS

There are no contingent liabilities or commitments as at December 31, 2022.

28 RELATED PARTY DISCLOSURES

(a) **Names of related parties where control exists irrespective whether transactions have occurred or not:**

Name of Related Party	Nature of Relationship
Hexaware Technologies Limited, India	Ultimate holding company
Hexaware Technologies Inc., USA	Holding company
Mobiquity Consulting, B.V. (Morgan Clark & Co., B.V., Netherlands)	Stepdown Subsidiary
Mobiquity B.V., Netherlands	Stepdown Subsidiary
Mobiquity Velocity Solutions Inc., USA	Subsidiary
Mobiquity Softech Private Limited, India	Fellow subsidiary

(b) **Details of transactions with related party in the ordinary course of business:**

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Hexaware Technologies Limited, India		
Income for the year	(5,463,933)	(3,141,944)
Expenses for the year	204,492	224,240
Mobiquity B.V., Netherlands		
Income for the year	(4,872,602)	(4,096,538)
Expenses for the year	8,129,591	5,881,010
Mobiquity Consulting, B.V. (Morgan Clark & Co., B.V., Netherlands)		
Expenses for the year	54,762	102,054
Share based payment expenses		
Hexaware Technologies Limited, India	276,947	(783,197)

c) **Outstanding balances**

Particulars	As at December 31, 2022	As at December 31, 2021
Other Financial Assets (Refer note 8)		
Receivable from Holding company		
Hexaware Technologies Inc.	4,000,000	8,500,000
Receivables from other parties		
Mobiquity B.V.	2,540,328	1,557,378
Mobiquity Velocity Solutions Inc., USA	2,060,248	2,060,248
Hexaware Technologies Limited	1,583,425	2,852,168
	10,184,001	**14,969,794**
Other Financial Liabilities (Refer note 14)		
Payable to Related Parties		
Mobiquity Consulting, B.V. (Morgan Clark & Co., B.V., Netherlands)	14,875	57,194
	14,875	**57,194**

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29 SEGMENT INFORMATION

a) The Company is primarily engaged in development of mobile applications which is considered as the only reportable business segment and operates in one reportable geographical segment which is within USA.
The Chief operating decision maker monitors the operating results of its mobile application development business as a whole for the purpose of making decisions about resource allocation and performance assessment. Hence no separate segment information has been furnished.

USA

Particulars		For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from Development of Mobile applications		55,745,857	49,358,779
	Total	**55,745,857**	**49,358,779**

b) **Segment Revenue with Major Customer**
During the year ended December 31, 2022 company having revenue of USD 55,745,857 for development of Mobile applications segment.

30 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	As at December 31, 2022	As at December 31, 2021
A) Financial assets		
Non-Current		
Measured at amortised cost		
Other financial assets	325,158	298,800
Sub-Total	**325,158**	**298,800**
Current		
Measured at amortised cost		
Trade receivables	8,156,634	5,464,317
Contract assets	205,631	81,430
Cash and Cash equivalents	12,012,692	4,039,063
Other financial assets	10,184,001	14,969,794
Sub-Total	**30,558,958**	**24,554,604**
Total Financial Assets	**30,884,116**	**24,853,404**

Particulars	As at December 31, 2022	As at December 31, 2021
B) Financial liabilities		
Measured at amortised cost		
Non-Current		
Lease Liabilities	348,550	282,063
Sub-Total	**348,550**	**282,063**
Current		
Measured at amortised cost		
Lease Liabilities	244,522	326,336
Trade Payables	1,501,559	859,561
Contract liabilities	733,782	371,708
Other financial liabilities	3,235,581	5,053,996
Sub-Total	**5,715,444**	**6,611,601**
Total Financial Liabilities	**6,063,994**	**6,893,664**

Carrying amount of cash and cash equivalents, trade receivables, contract asset, trade payables as well as 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.

31 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for determining the type and level of business risks that the company undertakes to achieve its corporate objectives. The board of directors is accountable for maintaining an effective control environment that reflects established risks appetite and business objectives.
The Board of director's policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered, and emerging best practices.
The company's activities expose it to the following risks: market risk, credit risk and liquidity risk.

a) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk.

Interest rate risk
The company is not exposed to interest rate risk as the company does not have borrowings and is financed by own capital or capital from parent company.

Foreign currency sensitivity
Company is not exposed to foreign currency risk as transactions are mainly denominated in USD, which is its functional currency.

b) Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

(i) Cash and cash equivalents
Credit risk from balances with banks/financial institutions is considered nil, since the counterparty is a reputable bank with high quality external credit rating. Based on assessment carried by the company, entire receivable under this category is classified as "Stage 1".

(ii) Trade receivables (including contract asset)
The company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company's trade receivable are having short credit period and historically majority of trade receivables are recovered within short span of time.

Entire trade receivable outstanding as at reporting date are assessed individually for recoverability and consequent specific provisioning. If there are indication where provision is required based on management assessment of significant increase in credit risk bases on assessment of each trade receivable, allowance for expected credit loss is provided to the extent not considered probable of recovery. Specific provision may be required due to any reasons such as credit deterioration, etc. Trade receivable under specific provision cases, are assessed individually.

i) The maximum exposure to credit risk is presented in the table below:

Particulars	As at December 31, 2022		
	Gross carrying amount	Credit loss allowance	Amortised cost
Trade receivables	8,197,604	(40,970)	8,156,634
Total	**8,197,604**	**(40,970)**	**8,156,634**

Particulars	As at December 31, 2021		
	Gross carrying amount	Credit loss allowance	Amortised cost
Trade receivables	5,491,776	(27,459)	5,464,317
Total	**5,491,776**	**(27,459)**	**5,464,317**

ii) Ageing Analysis of trade receivables:

Particulars	As at December 31, 2022			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	6,681,648	1,515,956	-	8,197,604
Less: Loss allowance	(33,390)	(7,580)	-	(40,970)
Total	**6,648,258**	**1,508,376**	**-**	**8,156,634**

Particulars	As at December 31, 2021			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	5,209,324	282,452	-	5,491,776
Less: Loss allowance	(27,459)	-	-	(27,459)
Total	**5,181,865**	**282,452**	**-**	**5,464,317**

iii) Set out below is the movement in the allowance for expected credit losses of trade receivables:

Particulars	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the period	27,459	99,065
Provided / Written back for the period	40,970	27,459
Written off during the period	(27,459)	(99,065)
Balance at the end of the period	**40,970**	**27,459**

iii) Other financial assets

Other financial assets mainly includes security deposit, deposit with banks etc. Based on assessment carried by the company, entire receivable is under this category is classified as "Stage 1". There is no history of loss and credit risk from other financial assets. Therefore credit risk from remaining other financial assets is not material and hence considered Nil.

Impact of covid 19 on financial assets

Financial assets of USD 12,012,692 carried at amortised cost is in the form of cash and cash equivalents where the company has assessed counterparty credit risk. Trade receivables of USD 8,156,634 and contract assets of USD 205,631 as at December 31, 2022 forms a significant part of financial assets carried at amortised cost which is valued considering provision for loss allowance. In addition to historical pattern of loss allowance, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand ,outlook of these verticals and financial strength of customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, allowance for doubtful trade receivables of USD 40,970 as at December 31, 2022 is considered adequate.

c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

As at December 31, 2022	Less than 1 Year	1 to 5 years	More than 5 years	Total
Liabilities				
Lease Liabilities	244,522	348,550	348,550	593,072
Trade payables	1,501,559	-	-	1,501,559
Other financial liabilities	3,235,581	-	-	3,235,581

As at December 31, 2021	Less than 1 Year	1 to 5 years	More than 5 years	Total
Liabilities				
Lease Liabilities	326,336	282,063	282,063	608,399
Trade payables	859,561	-	-	859,561
Other financial liabilities	5,053,996	-	-	5,053,996

32 CAPITAL MANAGEMENT

Company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in form of dividends, return of capital or issue of new shares.

33 MATERIAL EVENTS AFTER BALANCE SHEET DATE

There is no significant event after reporting date which require adjustment or disclosure to the Financial Statements.

34 FINANCIAL STATEMENT APPROVAL

These Financial Statements have been approved and authorised by the Board on January 31, 2023

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BDO

Tel: +91 22 6831 1600
www.bdo.in

Floor 6, Raheja Titanium
Western Express Highway
Geetanjali Railway Colony, Ram Nagar
Goregaon (E), Mumbai 400063, INDIA

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

To the Board of Directors of Hexaware Technologies Limited

Report on the Audit of the Special purpose Financial Statements

Opinion

We have audited the accompanying Special purpose Financial Statements of Mobiquity BV (hereinafter referred to as "the Company"), which comprise the Special purpose balance sheet as at December 31, 2022, statement of profit and loss (including other comprehensive income), statement of cash flow and statement of changes in equity for the year ended December 31, 2022, and related notes to the Special purpose Financial Statements, including a summary of significant accounting policies.

The Special purpose Financial Statements have been prepared by management of the Company in accordance with significant accounting policies included in Hexaware Technologies Limited's (hereinafter referred to as "the Holding Company") financial statements for the year ended December 31, 2022, which are in accordance with Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act").

However, these Special purpose Financial Statements do not include all the disclosures required by Ind AS or included in Holding Company's Ind AS financial statements and therefore cannot be said to be compliant with Ind AS in all respects.

In our opinion, the accompanying Special purpose Financial Statements of the Company for the year December 31, 2022 are prepared in all material respects, in accordance with the recognition and measurement principles used in Holding Company's financial statements for year ended December 31, 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing("ISAs"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special purpose Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special purpose Financial Statements, 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.

Restriction on Distribution and Use

The Special purpose Financial Statements have been prepared for the purpose of internal use of Holding Company and to comply with the requirements of Section 137(1) of the Act in India. As a result, the Special purpose Financial Statements are not a complete set of financial statements of the Company in accordance with Ind AS. It should not be used by any other person or for any other purpose. BDO India LLP shall not be liable to the Company or to any other concerned person for any claims, liabilities or expenses relating to this audit report or Special purpose financial statements.

BDO

Responsibilities of Management and those charged with Governance for Special purpose Financial Statements

Management is responsible for the preparation of these Special purpose Financial Statements in accordance with the significant accounting policies included in Holding Company's Ind AS financial statements for the year ended December 31, 2022; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of Special purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 doso.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose 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 ISAs 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 Special purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special purpose 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 expressing our opinion on whether the Company has internal financial controls with reference to Special purpose Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Special purpose 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 Special purpose Financial Statements, including the disclosures, and whether the Special purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

BDO India LLP

BDO India LLP
Place: Mumbai
Date: February 02, 2023

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MOBIQUITY B.V.

SPECIAL PURPOSE BALANCE SHEET AS AT DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

	Notes	As at December 31, 2022	As at December 31, 2021
I. ASSETS			
Non-current assets			
Property, plant and equipment	3	2,077,175	2,323,996
Right of use assets	4	5,193,607	6,002,215
Financial assets			
Other financial assets	7	309,411	339,333
Deferred Tax Assets (Net)	8	2,445,009	75,534
Total Non-current assets		**10,025,202**	**8,741,078**
Current assets			
Financial assets			
Trade receivables	5	6,766,746	13,773,889
Contract assets		24,265	33,143
Cash and cash equivalents	6	2,797,475	791,145
Other financial assets	7	1,276,648	2,750,842
Other current assets	9	120,585	205,795
Total Current assets		**10,985,719**	**17,554,814**
Total Assets		**21,010,921**	**26,295,892**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	18,000	18,000
Other equity	11	(1,873,130)	6,201,330
Total equity		**(1,855,130)**	**6,219,330**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	12	4,411,853	4,896,577
Total non-current liabilities		**4,411,853**	**4,896,577**
Current liabilities			
Financial liabilities			
Lease liabilities	12	740,364	1,038,834
Trade payables	13	837,308	576,279
Other financial liabilities	14	9,916,305	6,722,573
Provisions	15	549,139	633,492
Contract liabilities		2,596,748	1,313,229
Other current liabilities	16	3,545,586	3,756,106
Current tax liabilities (Net)	17	268,748	1,139,472
Total current liabilities		**18,454,198**	**15,179,985**
Total liabilities		**22,866,051**	**20,076,562**
Total equity and liabilities		**21,010,921**	**26,295,892**

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity B.V.

DocuSigned by:
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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY B.V.

SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	18	42,238,524	45,371,006
Other income	19	617,860	-
Total income		**42,856,384**	**45,371,006**
EXPENSES			
Software and development expenses		16,883,850	15,393,776
Employee benefit expense	20	26,081,214	22,579,868
Finance costs	21	236,644	194,519
Depreciation expense	22	1,606,225	1,552,539
Impairment Loss on financial asset	23	3,477,388	45,000
Other expenses	24	5,015,265	3,761,604
Total expenses		**53,300,586**	**43,527,306**
(Loss)/Profit before tax		**(10,444,202)**	**1,843,700**
Exceptional items			
(Loss)/Profit before taxes		**(10,444,202)**	**1,843,700**
Tax expense			
Current Tax		-	591,603
Deferred Tax Charge / (Credit)		(2,369,742)	(1,753)
		(2,369,742)	**589,850**
(Loss)/Profit for the year		**(8,074,460)**	**1,253,850**
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		**(8,074,460)**	**1,253,850**
Earnings per share (Face value EURO 50 per share)			
Basic and diluted earnings per share (EURO)	25	(22,429.06)	3,482.92

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity B.V.

DocuSigned by:
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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY B.V.

SPECIAL PURPOSE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

	For the year ended December 31, 2022	For the year ended December 31, 2021
A. Cash flow from operating activities		
Profit/(Loss) before tax	(10,444,202)	1,843,700
Adjustments for:		
Depreciation expenses	1,606,225	1,552,539
Finance cost	236,644	194,519
Impairment loss on financial asset	3,477,388	45,000
Operating (loss)/profit before working capital changes	**(5,123,945)**	**3,635,758**
Changes in working capital		
Increase/ (decrease) in trade payables	261,029	485,408
Increase/ (decrease) in other financial liabilities	3,193,732	5,521,023
Increase/ (decrease) in provisions	(84,353)	114,541
Increase/ (decrease) in contract liabilities	1,283,519	1,261,482
Increase/ (decrease) in other current liabilities	(210,520)	34,872
(Increase)/ decrease in trade receivables	7,007,143	(9,068,351)
(Increase)/ decrease in contract assets	8,878	79,505
(Increase)/ decrease in other financial assets	(1,973,272)	(427,496)
(Increase)/ decrease in other current assets	85,210	(205,795)
Cash generated from operations	**9,571,366**	**(2,204,811)**
Income tax paid	(706,013)	8,146
Net cash generated from operating activities (A)	**3,741,408**	**1,439,093**
B. Cash flow from Investing activities		
Payment for purchase of property, plant and equipment (Net)	(364,641)	(1,752,911)
Net cash generated (used in) investing activities (B)	**(364,641)**	**(1,752,911)**
C. Cash flow from Financing activities		
Lease payments	(1,133,793)	(1,246,965)
Interest Expense	(236,644)	(194,519)
Net cash generated (used in) financing activities (C)	**(1,370,437)**	**(1,441,484)**
Net increase in cash and cash equivalents (A+B+C)	**2,006,330**	**(1,755,302)**
Cash and cash equivalents at the beginning of the year	791,145	2,546,447
Cash and cash equivalents at the end of the year	**2,797,475**	**791,145**
Cash and cash equivalents comprise (Refer Note 6)		
Balances with banks		
On current accounts	2,797,475	791,145
Total cash and cash equivalents at end of the year	**2,797,475**	**791,145**

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity B.V.

DocuSigned by:

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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY B.V.

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

(A) Equity Share Capital (Issued and Subscribed)

Particulars	Number of Shares	Amount
Balance as at January 1, 2022	**360**	**18,000**
Changes in equity share capital	-	-
Balance as at December 31, 2022	**360**	**18,000**
Balance as at January 1, 2021	**360**	**18,000**
Changes in equity share capital	-	-
Balance as at December 31, 2021	**360**	**18,000**

(B) Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at January 1, 2022	6,201,330	6,201,330
Loss for the year	(8,074,460)	(8,074,460)
Balance as at December 31, 2022	(1,873,130)	(1,873,130)
Balance as at January 1, 2021	4,947,480	4,947,480
Profit for the year	1,253,850	1,253,850
Balance as at December 31, 2021	6,201,330	6,201,330

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity B.V.

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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY B.V.
NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

1 Corporate Information

Mobiquity BV ("Mobiquity" or "the Company") is registered at the Chamber of Commerce under number 34270669. The registered office of the Company is Tommaso Albinonistraat 5, 1083 HM, Amsterdam, Netherlands. The Company delivers effortless digital experiences spanning mobile, web, voice and internet of things on behalf of leading enterprise brands. It provides strategy, experience design, product engineering, cloud and analytics services to help clients drive deeper digital engagement and improve loyalty, under both fixed price and 'time and materials' arrangements. Till June 13, 2019 Mobiquity Cooperatief UA Netherland and Mobiquity Inc. USA is the Company's holding company and ultimate holding company respectively.

On June 13, 2019, Hexaware Technologies Limited ('Hexaware' or the 'Ultimate Holding Company'), a public company incorporated in India, acquired 100% shareholding of the Mobiquity Inc. USA including its subsidiaries. Hexaware is a leading Global IT consulting and digital solutions Company. Consequent to acquisition of 100% shareholding of Mobiquity Inc. USA by Hexaware, Mobiquity Cooperatief UA Netherland, Mobiquity Inc. USA and Hexaware Technologies Limited became the Company's immediate holding company, intermediate holding company and ultimate holding company respectively. These standalone financial statements has been prepared as if it is a continuation of the erstwhile Mobiquity BV.

2 Significant Accounting Policies

2.1 Basis of preparation and presentations

The Special Purpose Financial Statements ('Financial Statements') have been prepared for the purpose of internal use of Hexaware Technologies Limited ('Holding Company') and to comply with the requirements of Section 137 (1) of Companies Act 2013 in India. As a result, the Special Purpose Financial Statements are not a complete set of financial statement of the Company in accordance Indian Accounting Standard (Ind AS).

The financial statements comply in all material aspects with respect to recognition and measurement requirements of Ultimate Holding company's accounting policies. Holding company's accounting policies are in accordance with 'Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These financial statements do not include all required notes and disclosures as required under Ind AS, accordingly these financial statements cannot be construed as in compliance with Ind AS to that extent.

The Company prepares its financial statements in accordance with the Provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Boards (referred to as "Dutch GAAP financial statements"). The management of the Company has compiled the Special Purpose Standalone Financial Statements using the Dutch GAAP Financial Statements and after incorporating required adjustments for GAAP differences between Dutch GAAP and Ind AS applicable to the Company. The Company will continue reporting under applicable Dutch GAAP for their local reporting.

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in EURO which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.2 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

(ii) Income-tax

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Others

Others areas involving estimates relates to useful lives of Property, Plant and Equipment.

2.3 Revenue Recognition

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 Contract liability. Contract assets 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.

Revenue from related parties on account of resource sharing : Revenue is billed to related parties after adding of a mark up percentage over cost incurred by the Company. The mark up is as per transfer pricing regulations applicable to the Company which suitably demonstrates the arm's length price.

2.4 Leases - Ind AS 116

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use asset is determined on the same basis as those of property, plant and equipment. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

2.5 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items
Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance
Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using

2.6 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss.

2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.8 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option outstanding account.

Employees of the Company are granted share based payments of Ultimate Holding Company. Ultimate Holding Company recharges cost related to these share based payment to the Company. The amount payable to the Holding Company is recognised as employees expenses with corresponding amount recognised as liability.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from tax authorities using enacted or substantively enacted tax rates.
Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.
Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined based on the expert technical advice / stipulation of Schedule II of the Act:

Asset Class	Estimated useful Life
Computer	5 years
Office Equipment	5 years
Furniture and Fixtures	5 years

Leasehold Improvements are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a Company of financial assets is impaired under Ind AS 109. "Financial Instrument" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses. if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.12 Provisions and contingent liabilities

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

2.13 Non derivative financial instruments

- Financial assets and liabilities are recognised when Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair value measured on initial recognition of financial asset or financial liability.

a) Financial assets and financial liabilities - subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vi) Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or expired

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vii) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any.

(viii) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(ix) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

x) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risk of the host and are measured at fair value through profit or loss. Embedded derivative closely related to host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

xi) Derivative financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

b) Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.14 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ► In the principal market for the asset or liability, or
- ► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.15 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.16 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

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3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Computer	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost					
As at January 1, 2022	1,414,247	118,583	496,537	1,896,669	3,926,036
Additions	183,264	2,638	29,674	154,499	370,075
Disposals	(106,267)	-	(7,752)	-	(114,019)
As at December 31, 2022	1,491,244	121,221	518,459	2,051,168	4,182,092
As at January 1, 2021	1,189,058	115,599	350,375	616,783	2,271,815
Additions	331,128	2,984	149,856	1,279,886	1,763,854
Disposals	(105,939)	-	(3,694)	-	(109,633)
As at December 31, 2021	1,414,247	118,583	496,537	1,896,669	3,926,036
Accumulated Depreciation					
As at January 1, 2022	1,046,659	80,187	312,718	162,476	1,602,040
Charge for the year	252,573	22,377	92,378	245,614	612,944
Disposals	(102,261)	-	(7,806)	-	(110,067)
As at December 31, 2022	1,196,971	102,564	397,290	408,090	2,104,917
As at January 1, 2021	879,240	58,205	252,855	78,218	1,268,518
Charge for the year	263,016	21,982	62,957	84,257	432,212
Disposals	(95,597)	-	(3,094)	-	(98,691)
As at December 31, 2021	1,046,659	80,187	312,718	162,476	1,602,040
Net carrying amount					
As at December 31, 2022	294,273	18,657	121,169	1,643,078	2,077,175
As at December 31, 2021	367,588	38,396	183,819	1,734,193	2,323,996

4 RIGHT OF USE ASSETS

Particulars	Vehicles	Office premises	Total
Carrying amount as at January 1, 2022	**602,442**	**5,399,773**	**6,002,215**
Add: Additions during the year	186,155	-	186,155
Less: Depreciation for the year	(270,117)	(724,646)	(994,763)
Carrying amount as at December 31, 2022	**518,480**	**4,675,127**	**5,193,607**
Carrying amount as at January 1, 2021	332,656	6,283,417	**6,616,073**
Add: Additions during the year	506,469	-	**506,469**
Less: Depreciation for the year	(236,683)	(883,644)	**(1,120,327)**
Carrying amount as at December 31, 2021	**602,442**	**5,399,773**	**6,002,215**

5 TRADE RECEIVABLES (UNSECURED)

Particulars	As at December 31, 2022	As at December 31, 2021
Considered good	6,766,746	13,773,889
Credit impaired	891,429	69,000
	7,658,175	**13,842,889**
Less: Allowance for expected credit losses	(891,429)	(69,000)
Total	**6,766,746**	**13,773,889**

6 CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2022	As at December 31, 2021
Balances with banks		
On current accounts	2,797,475	791,145
Total	**2,797,475**	**791,145**

7 OTHER FINANCIAL ASSETS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Unsecured				
Financial assets at amortised cost :				
Considered good:				
Deposits	309,411	-	309,411	-
Receivables from ultimate holding company	-	1,228,390	29,922	2,486,053
Receivables from employees	-	1,282	-	-
Other receivable	-	46,976	-	264,789
Credit impaired:				
Deposits			143,740	
Less: Allowance for expected credit losses		-	(143,740)	
Total	**309,411**	**1,276,648**	**339,333**	**2,750,842**

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8 DEFERRED TAXES & INCOME TAXES
Deferred Tax Asset /(Liability)

Deferred taxes for the quarter ended December 31, 2022 arising from temporary differences and unused tax losses can be summarized below:

Particulars	As at December 31, 2022	As at December 31, 2021
Deferred Tax Asset-		
Accruals on year end loss	2,369,742	75,267
Total Deferred Tax Asset	2,369,742	75,267
Deferred Tax Liability-	-	-
Deferred Tax Liability	-	-
Total	2,369,742	75,267

Particulars	As at December 31, 2021	Recognised in Statement of Profit & Loss	As at December 31, 2022
Deferred Tax Asset-			
On account of Ind AS 116 - Leases	45,215	(45,215)	-
Lease Liabilities	1,530,856	(190,905)	1,339,951
Prepaid rent	61,217	(61,217)	-
On account of differences in Fixed Assets value as per book records and tax records	30,052	(30,052)	
Loss c/f	-	2,445,009	2,445,009
Deferred Tax Liability-	-	-	-
Right of use assets	(1,546,858)	206,907	(1,339,951)
Total	75,267	2,369,742	2,445,009

9 OTHER ASSETS (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Prepaid Expenses	-	120,585	-	198,440
Advance to suppliers	-	-	-	7,355
Total	-	120,585	-	205,795

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MOBIQUITY B.V.
NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

10 EQUITY SHARE CAPITAL

Particulars	As at December 31, 2022	As at December 31, 2021
Issued, Subscribed and paid up		
360 equity shares with a nominal value of EURO 50 per share	18,000	18,000
Total	**18,000**	**18,000**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at December 31, 2022	
	No. of shares	Amount
Outstanding as on January 1, 2022	360	18,000
Add / (Less): Change during the year	-	-
Outstanding as on December 31, 2022	**360**	**18,000**

11 OTHER EQUITY

Particulars	As at December 31, 2022	As at December 31, 2021
Retained earnings	(1,873,130)	6,201,330
Total	**(1,873,130)**	**6,201,330**

a) Retained earnings

Particulars	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	6,201,330	4,947,480
Add : Net profit/Loss for the year	(8,074,460)	1,253,850
Add : Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(8,074,460)**	**1,253,850**
Balance at the end of the year	**(1,873,130)**	**6,201,330**

12 LEASE LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Lease liabilities	4,411,853	740,364	4,896,577	1,038,834
Total	**4,411,853**	**740,364**	**4,896,577**	**1,038,834**

(a) Movement of lease liabilities

Particulars	Vehicles	Office premises	Total
As at January 1, 2022	618,556	5,316,855	5,935,411
Add: Additions	186,155	-	186,155
Add: Interest expenses	18,886	145,558	164,444
Less: Lease payments	(102,415)	(1,031,378)	(1,133,793)
As at December 31, 2022	**721,182**	**4,431,035**	**5,152,217**
As at January 1, 2021	349,175	6,141,251	6,490,426
Add: Additions	506,469	-	506,469
Add: Interest expenses	16,061	169,420	185,481
Less: Lease payments	(253,149)	(993,816)	(1,246,965)
As at December 31, 2021	**618,556**	**5,316,855**	**5,935,411**

MOBIQUITY B.V.
NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

13 TRADE PAYABLES

Particulars	As at December 31, 2022	As at December 31, 2021
Trade payables	837,308	576,279
Total	**837,308**	**576,279**

14 OTHER FINANCIAL LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Accrued expenses	-	314,962	-	440,456
Other payables	-	90,799	-	-
Capital creditors	-	-	-	23,335
Accrued employee benefit expenses	-	1,286,001	-	1,461,403
Payable to other related parties(Refer Note 28)	-	8,224,543	-	4,797,379
Total	-	**9,916,305**	-	**6,722,573**

15 PROVISIONS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Provision for leave encashment	-	549,139	-	633,492
Total	-	**549,139**	-	**633,492**

16 OTHER LIABILITIES (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Statutory dues payable	-	3,545,586	-	3,756,106
Total	-	**3,545,586**	-	**3,756,106**

17 CURRENT TAX LIABILITIES (NET)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Tax liabilities (Net of advance tax)	-	268,748	-	1,139,472
Total	-	**268,748**	-	**1,139,472**

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18 REVENUE FROM OPERATIONS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of services	42,238,524	45,371,006
Total	**42,238,524**	**45,371,006**

Timing of revenue recognition

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Services provided over a period of time	42,238,524	45,371,006
Total revenue from contracts with customers	**42,238,524**	**45,371,006**

19 OTHER INCOME

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Foreign exchange gain	617,860	-
Total	**617,860**	-

20 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries, wages and bonus	22,108,417	19,777,793
Contribution to funds	3,385,217	2,276,809
Staff welfare expenses	445,701	504,178
Employee stock option compensation cost in respect of Share based payment of Ultimate Holding Company	141,879	21,088
Total	**26,081,214**	**22,579,868**

21 FINANCE COSTS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense:		
- On lease liability	164,444	185,481
- On others	72,200	9,038
Total	**236,644**	**194,519**

22 DEPRECIATION EXPENSE

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Depreciation on Property, Plant and Equipment	611,462	432,212
Depreciation on Right of use assets	994,763	1,120,327
Total	**1,606,225**	**1,552,539**

23 IMPAIRMENT LOSS ON FINANCIAL ASSET

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Charge of Allowance for expected credit losses on trade receivables	3,477,388	45,000
Total	**3,477,388**	**45,000**

24 OTHER EXPENSES

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Rent	87,019	16,415
Service Charges	1,514,983	1,518,183
Communication expenses	169,581	137,423
Travelling and conveyance	1,336,820	583,108
Legal and professional fees	494,643	461,573
Insurance Charges	274,154	42,386
Marketing and advertising expenditure	626,077	315,592
Staff recruitment expenses	78,449	237,944
Foreign Exchange loss	16,673	24,757
Membership and subscription	21,656	17,493
Miscellaneous expenses	395,210	406,730
Total	**5,015,265**	**3,761,604**

25 EARNING PER SHARE (EPS)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit attributable to equity holders	(8,074,460)	1,253,850
Weighted average number of Ordinary Shares for basic and diluted EPS	360	360
Basic and Diluted Earnings per share	(22,429.06)	3,482.92

26 LEASES

The Company has taken office premises at certain locations on operating lease. The agreements are executed for a period ranging from 11 months to 139 months.

Also, the Company has taken Vehicle on operating lease. The agreements are executed for a period ranging from 24 months to 60 months.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The movement in lease liabilities has been disclosed in Note 12.

The below table provides the details regarding contractual maturities of lease liabilities on a discounted basis:

Particulars	As at December 31, 2022	As at December 31, 2021
Less than one year	740,364	1,038,834
1 to 5 years	4,411,853	4,896,577
More than five years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The weighted average incremental borrowing rate applied to lease liabilities at 3%. p.a.

27 CONTINGENT LIABILITY AND COMMITMENTS

There are no contingent liabilities or commitments as at December 31, 2022.

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MOBIQUITY B.V.
NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

28 RELATED PARTY DISCLOSURES

(a) Names of the related parties where control exists irrespective of whether transactions have occurred or not:

Name of Related Party	Nature of Relationship
Hexaware Technologies Limited, India	Ultimate holding company
Hexaware Technologies Inc., USA	Intermediate holding company
Hexaware Technologies UK Limited	Intermediate holding company
Mobiquity Inc., USA	Intermediate holding company
Mobiquity Cooperatief UA, Netherlands	Holding company
Mobiquity Consulting B.V., Netherlands	Fellow subsidiary
Mobiquity Softech Private Limited	Fellow subsidiary
Mobiquity Velocity Solutions Inc., USA	Fellow subsidiary

(b) Details of transactions with related party in the ordinary course of business:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Mobiquity Inc., USA		
Income for the year	(7,240,922)	(4,789,559)
Expenses for the year	4,320,457	3,271,628
Mobiquity Consulting B.V., Netherlands		
Income for the year	(3,136,590)	-
Expenses for the year	3,995,018	4,095,723
Mobiquity Softech Private Limited		
Expenses for the year	14,926,498	9,695,264
Hexaware Technologies UK Limited		
Expenses for the year	344,536	-
Hexaware Technologies Limited, India		
Income for the year	(5,714,220)	(2,545,585)
Expense for the year	3,107,881	337,818
Share Based payment expenses		
Hexaware Technologies Limited, India	129,626	21,088

c) Outstanding Balances

Particulars	As at December 31, 2022	As at December 31, 2021
Other financial liabilties (Refer Note 14)		
Mobiquity Inc., USA	2,384,396	1,421,595
Mobiquity Consulting B.V., Netherlands	1,671,631	1,851,750
Mobiquity Softech Private Limited	4,168,515	1,524,034
	8,224,543	**4,797,379**
Other financial assets (Refer Note 7)		
Hexaware Technologies Inc., USA	-	29,922
Hexaware Technologies Limited, India	1,228,391	2,486,053
	1,228,391	**2,515,975**

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29 SEGMENT INFORMATION

The Company is primarily engaged in development of mobile applications which is considered as the only reportable business segment and operates in one reportable geographical segment which is within Netherlands.
The Chief operating decision maker monitors the operating results of its mobile application business as a whole for the purpose of making decisions about resource allocation and performance assessment. Hence no separate segment information has been furnished.

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from Development of Mobile applications	42,238,524	45,371,006
Total	**42,238,524**	**45,371,006**

30 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	As at December 31, 2022	As at December 31, 2021
A) Financial assets		
Financial assets measured at amortised cost		
Current		
Trade receivable	6,766,746	13,773,889
Cash and cash equivalents	2,797,475	791,145
Contract assets	24,265	33,143
Other financial assets	1,276,648	2,750,842
Non-current		
Other financial assets	309,411	339,333
Total	**11,174,545**	**17,688,352**

Particulars	As at December 31, 2022	As at December 31, 2021
B) Financial liabilities		
Financial liabilities measured at amortised cost		
Current		
Lease liabilities	740,364	1,038,834
Trade payables	837,308	576,279
Other financial liabilities	9,916,305	6,722,573
Non-current		
Lease liabilities	4,411,853	4,896,577
Total	**15,905,830**	**13,234,263**

Carrying amount of cash and cash equivalents, trade receivable, contract assets, trade payables, other financial assets and liabilities and lease liability approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of financial assets and liabilities subsequently measured at amortised cost is not significant.

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31 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for determining the type and level of business risks that the Company undertakes to achieve its corporate objectives. The board of directors is accountable for maintaining an effective control environment that reflects established risks appetite and business objectives.
The Board of director's policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered, and emerging best practices.
The Company's activities expose it to the following risks: market risk, credit risk and liquidity risk.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's doesn't have any interest bearing financial instruments. Hence, the Company is not exposed to interest rate risk.

Foreign currency risk
The Company is not exposed to foreign currency risk as transactions are mainly denominated in EURO, which is its functional currency.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(i) Cash and cash equivalents
Credit risk from balances with banks/financial institutions is considered nil, since the counterparty is a reputable bank with high quality external credit rating. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1".

(ii) Trade receivables
The Company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company's trade receivable are having short credit period and historically majority of trade receivables are recovered within short span of time.

Entire trade receivable outstanding as at reporting period are assessed individually for recoverability and consequent specific provisioning. If there are indication where provision is required based on management assessment of significant increase in credit risk bases on assessment of each trade receivable, allowance for expected credit loss is provided to the extent not considered probable of recovery. Specific provision may be required due to any reasons such as credit deterioration, etc. Trade receivable under specific provision case are assessed individually.

i) The maximum exposure to credit risk is presented in the table below:

Particulars	As at December 31, 2022		
	Gross carrying amount	Allowance for expected credit losses	Amortised cost
Trade receivables	7,658,175	(891,429)	6,766,746
Total	**7,658,175**	**(891,429)**	**6,766,746**

Particulars	As at December 31, 2021		
	Gross carrying amount	Allowance for expected credit losses	Amortised cost
Trade receivables	13,842,889	(69,000)	13,773,889
Total	**13,842,889**	**(69,000)**	**13,773,889**

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ii) Ageing Analysis of trade receivables:

Particulars	As at December 31, 2022			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	5,102,183	1,884,991	671,001	7,658,175
Less: Allowance for expected credit losses	(211,243)	(9,425)	(670,761)	(891,429)
Total	**4,890,940**	**1,875,566**	**240**	**6,766,746**

Particulars	As at December 31, 2021			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	6,373,273	7,160,649	308,967	13,842,889
Less: Allowance for expected credit losses	(26,500)	1,500	(44,000)	(69,000)
Total	**6,346,773**	**7,162,149**	**264,967**	**13,773,889**

iii) Set out below is the movement in the allowance for expected credit losses of trade receivables:

Particulars	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the year	69,000	24,000
Expense/(reversal) for the year	822,429	45,000
Balance as at the end of the year	**891,429**	**69,000**

(iii) Other financial assets

Other financial assets mainly includes deposits, receivable from group companies etc. Based on assessment carried by the company, entire receivable is under this category is classified as "Stage 1". There is no history of loss and credit risk from other assets.

Set out below is the movement in the allowance for expected credit losses of deposits:

Particulars	As at December 31, 2021	As at December 31, 2021
Balance at the beginning of the year	-	143,740
Expense for the year	-	(143,740)
Balance as at the end of the year	-	-

Impact of COVID-19 on Financial Asset

Financial assets of Euro 2,797,475 carried at amortised cost is in the form of cash and cash equivalents where the company has assessed counterparty credit risk. Trade receivables of Euro 6,766,746 and contract assets of Euro 24,265 as at December 31, 2022 forms a significant part of financial assets carried at amortised cost which is valued considering provision for loss allowance. In addition to historical pattern of loss allowance, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and financial strength of customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, allowance for doubtful trade receivables of Euro 891,429 as at December 31, 2022 is considered adequate.

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Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at December 31, 2022	Less than 1 Year	1 to 5 years	More than 5 years	Total
Lease liabilities	740,364	4,411,853	-	**5,152,217**
Trade payables	837,308	-	-	**837,308**
Other financial liabilities	9,916,305	-	-	**9,916,305**

As at December 31, 2021	Less than 1 Year	1 to 5 years	More than 5 years	Total
Lease liabilities	1,038,834	4,896,577	-	**5,935,411**
Trade payables	576,279	-	-	**576,279**
Other financial liabilities	6,722,573	-	-	**6,722,573**

32 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares.

33 MATERIAL EVENTS AFTER BALANCE SHEET DATE

There is no significant event after reporting date which require adjustment or disclosure to the Financial Statements.

34 FINANCIAL STATEMENT APPROVAL

These Financial Statements have been approved and authorised by the Board on February 01, 2023

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Tel: +91 22 6831 1600
www.bdo.in

Floor 6, Raheja Titanium
Western Express Highway
Geetanjali Railway Colony, Ram Nagar
Goregaon (E), Mumbai 400063, INDIA

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

To the Board of Directors of Hexaware Technologies Limited

Report on the Audit of the Special purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Mobiquity Consulting B.V. (hereinafter referred to as "the Company"), which comprise the Special purpose balance sheet as at December 31, 2022, statement of profit and loss (including other comprehensive income), statement of cash flow and statement of changes in equity for the year ended December 31, 2022, and related notes to the Special purpose Financial Statements, including a summary of significant accounting policies.

The Special purpose Financial Statements have been prepared by management of the Company in accordance with significant accounting policies included in Hexaware Technologies Limited's (hereinafter referred to as "the Holding Company") financial statements for the year ended December 31, 2022, which are in accordance with Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act").

However, these Special purpose Financial Statements do not include all the disclosures required by Ind AS or included in Holding Company's Ind AS financial statements and therefore cannot be said to be compliant with Ind AS in all respects.

In our opinion, the accompanying Special purpose Financial Statements of the Company for the year December 31, 2022 are prepared in all material respects, in accordance with the recognition and measurement principles used in Holding Company's financial statements for year ended December 31, 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing("ISAs"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special purpose Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special purpose Financial Statements, 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.

Restriction on Distribution and Use

The Special purpose Financial Statements have been prepared for the purpose of internal use of Holding Company and to comply with the requirements of Section 137(1) of the Act in India. As a result, the Special purpose Financial Statements are not a complete set of financial statements of the Company in accordance with Ind AS. It should not be used by any other person or for any other purpose. BDO India LLP shall not be liable to the Company or to any other concerned person for any claims, liabilities or expenses relating to this audit report or Special purpose financial statements.

Responsibilities of Management and those charged with Governance for Special purpose Financial Statements

Management is responsible for the preparation of these Special purpose Financial Statements in accordance with the significant accounting policies included in Holding Company's Ind AS financial statements for the year ended December 31, 2022; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of Special purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 doso.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose 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 ISAs 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 Special purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special purpose 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 expressing our opinion on whether the Company has internal financial controls with reference to Special purpose Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Special purpose 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 Special purpose Financial Statements, including the disclosures, and whether the Special purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

BDO India LLP

BDO India LLP
Place: Mumbai
Date: February 02, 2023

MOBIQUITY CONSULTING B.V.
SPECIAL PURPOSE BALANCE SHEET AS AT DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

	Notes	As at December 31, 2022	As at December 31, 2021
I. ASSETS			
Non-current assets			
Right of use assets	3	135,270	185,215
Total Non-current assets		**135,270**	**185,215**
Current assets			
Financial assets			
Trade receivables	4	332,121	227,440
Cash and cash equivalents	5	17,078	17,965
Other financial assets	6	1,688,706	1,925,500
Other current assets	7	84,252	86,269
Total Current assets		**2,122,157**	**2,257,174**
Total Assets		**2,257,427**	**2,442,389**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	18,000	18,000
Other equity	9	789,387	460,156
Total equity		**807,387**	**478,156**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	10	70,488	125,372
Total non-current liabilities		**70,488**	**125,372**
Current liabilities			
Financial liabilities			
Lease liabilities	10	68,210	62,638
Trade payables	11	2,873	71,930
Other financial liabilities	12	568,832	867,346
Provisions	13	176,395	187,875
Contract liabilities		-	20,000
Other current liabilities	14	563,242	629,072
Total current liabilities		**1,379,552**	**1,838,861**
Total Liabilities		**1,450,040**	**1,964,233**
Total equity and liabilities		**2,257,427**	**2,442,389**

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Consulting B.V.

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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY CONSULTING B.V.

SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
INCOME			
Revenue from operations	15	3,970,281	4,719,435
Other income	16	236	-
Total income		**3,970,517**	**4,719,435**
EXPENSES			
Software and development expenses		160,258	157,982
Employee benefit expense	17	3,326,069	3,819,742
Finance costs	18	5,273	4,500
Depreciation expense	19	90,568	69,785
Other expenses	20	59,118	280,973
Total expenses		**3,641,286**	**4,332,982**
Profit/(Loss) before tax		**329,231**	**386,453**
Current tax expense		-	-
Profit for the year		**329,231**	**386,453**
Total Comprehensive income for the year		**329,231**	**386,453**
Earnings per share (Face value EURO 10 per share)			
Basic and diluted earnings per share (EURO)	21	183	215

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Consulting B.V.

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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY CONSULTING B.V.

SPECIAL PURPOSE STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

	For the year ended December 31, 2022	For the year ended December 31, 2021
A. Cash flow from operating activities		
Profit before tax	329,231	386,453
Adjustments		
Depreciation expense	90,568	69,785
Balances written off	-	90,909
Finance cost	5,273	4,500
Reversal of impairment provision on financial asset	(236)	-
Operating profit before working capital changes	**424,836**	**551,647**
Changes in working capital		
Increase/(Decrease) in trade payables	(69,057)	68,078
Increase/(Decrease) in other financial liabilities	(298,514)	(1,120,541)
Increase/(Decrease) in provisions	(11,480)	(44,168)
Increase/(Decrease) in other current liabilities	(65,830)	30,278
Increase/(Decrease) in contract liabilities	(20,000)	20,000
(Increase)/Decrease in trade receivables	(104,445)	(221,463)
(Increase)/Decrease in other financial assets	236,794	(1,133,122)
(Increase)/Decrease in other current assets	2,017	(37,210)
Net Changes in working capital	**(330,515)**	**(2,438,148)**
Income tax paid	-	-
Net cash generated from/(used in) operating activities (A)	**94,321**	**(1,886,501)**
B. Net cash generated from/(used in) investing activities (B)		
	-	-
C. Cash flow from Financing activities (C)		
Lease liability payment	(89,935)	(68,474)
Dividend	-	(90,909)
Interest Expense	(5,273)	(4,500)
Net cash generated (used in) financing activities (C)	**(95,208)**	**(163,883)**
Net increase in cash and cash equivalents (A+B+C)	(887)	(2,050,384)
Cash and cash equivalents at the beginning of the year	17,965	2,068,349
Cash and cash equivalents at the end of the year	**17,078**	**17,965**
Cash and cash equivalents comprise (Refer Note 5)		
Balances with banks		
On current accounts	17,078	17,965
Total cash and cash equivalents at end of the year	**17,078**	**17,965**

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Consulting B.V.

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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

MOBIQUITY CONSULTING B.V.
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Euro, unless otherwise stated)

(A) Equity Share Capital (Issued and Subscribed)

Particulars	Number of Shares	Amount
Balance as at January 1, 2022	1,800	18,000
Changes in equity share capital	-	-
Balance as at December 31, 2022	1,800	18,000

Particulars	Number of Shares	Amount
Balance as at January 1, 2021	1,800	18,000
Changes in equity share capital	-	-
Balance As at December 31, 2021	1,800	18,000

(B) Other equity

Particulars	Retained earnings	Total
Balance as at January 1, 2022	460,156	460,156
Profit for the period	329,231	329,231
Other comprehensive income for the period	-	-
Balance as at December 31, 2022	789,387	789,387

Particulars	Retained earnings	Total
Balance as at January 1, 2021	73,703	73,703
Profit for the period	386,453	386,453
Other comprehensive income for the period	-	-
Balance as at December 31, 2021	460,156	460,156

The accompanying notes form an integral part of the Special Purpose Financial Statements.

As per our report of even date
For BDO India LLP

BDO India LLP

Place: Mumbai
Date: February 02, 2023

For and on behalf of the Board
Mobiquity Consulting B.V.

DocuSigned by:
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R. Srikrishna
Director

Place: New Jersey
Date: 01 February 2023 | 10:10:41 AM PST

1 Corporate Information

Mobiquity Consulting BV ("MCC" or "the Company") is registered at the Chamber of Commerce under number 50459767. The registered office of the Company is Tommaso Albinonistraat 5, 1083 HM, Amsterdam, The Netherlands. The Company delivers effortless digital experiences spanning mobile, web, voice and internet of things on behalf of leading enterprise brands. It provides strategy, experience design, product engineering, cloud and analytics services to help clients drive deeper digital engagement and improve loyalty, under both fixed price and 'time and materials' arrangements. Till June 13, 2019 Mobiquity Cooperatief UA Netherland and Mobquity Inc. USA is the Company's holding company and ultimate holding company respectively.

On June 13, 2019, Hexaware Technologies Limited ('Hexaware' or the 'Ultimate Holding Company'), a public company incorporated in India, acquired 100% shareholding of the Mobquity Inc. USA including its subsidiaries. Hexaware is a leading Global IT consulting and digital solutions Company. Consequent to acquisition of 100% shareholding of Mobiquity Inc. USA by Hexaware, Mobiquity Cooperatief UA Netherland, Mobquity Inc. USA and Hexaware Technologies Limited became the Company's immediate holding company, intermediate holding company and ultimate holding company respectively. These standalone financial statements has been prepared as if it is a continuation of the erstwhile Mobiquity Consulting BV.

2 Significant Accounting Policies

2.1 Basis of preparation and presentations

The Special Purpose Financial Statements ('Financial Statements') have been prepared for the purpose of internal use of Hexaware Technologies Limited ('Ultimate Holding Company') and to comply with the requirements of Section 137 (1) of Companies Act 2013 in India. As a result, the Special Purpose Financial Statements are not a complete set of financial statement of the Company in accordance Indian Accounting Standard (Ind AS).

The financial statements comply in all material aspects with respect to recognition and measurement requirements of Ultimate Holding company's accounting policies. Holding company's accounting policies are in accordance with 'Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These financial statements do not include all required notes and disclosures as required under Ind AS, accordingly these financial statements cannot be construed as in compliance with Ind AS to that extent.

The Company prepares its financial statements in accordance with the Provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Boards (referred to as "Dutch GAAP financial statements"). The management of the Company has compiled the Special Purpose Standalone Financial Statements using the Dutch GAAP Financial Statements and after incorporating required adjustments for GAAP differences between Dutch GAAP and Ind AS applicable to the Company. The Company will continue reporting under applicable Dutch GAAP for their local reporting.

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in EURO which is the functional currency of the Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.2 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

(ii) Income-tax

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Others

Others areas involving estimates relates to useful lives of Property, Plant and Equipment.

2.3 Revenue Recognition

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 Contract liability. Contract assets 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.

Revenue from related parties on account of resource sharing : Revenue is billed to related parties after adding of a mark up percentage over cost incurred by the Company. The mark up is as per transfer pricing regulations applicable to the Company which suitably demonstrates the arm's length price.

2.4 Leases - Ind AS 116

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use asset is determined on the same basis as those of property, plant and equipment. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an rent expense on a straight-line basis over the lease term.

2.5 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.6 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss.

2.7 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.8 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option outstanding account.

Employees of the Company are granted share based payments of Ultimate Holding Company. Ultimate Holding Company recharges cost related to these share based payment to the Company. The amount payable to the Holding Company is recognised as employees expenses with corresponding amount recognised as liability.

2.9 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from tax authorities using enacted or substantively enacted tax rates.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.10 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a Company of financial assets is impaired under Ind AS 109.

"Financial Instrument" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses. if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Provisions and contingent liabilities

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

2.12 Non derivative financial instruments

Financial assets and liabilities are recognised when Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair value measured on initial recognition of financial asset or financial liability.

a) Financial assets and financial liabilities - subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.12 Non derivative financial instruments

a) Financial assets and financial liabilities - subsequent measurement

(v) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vi) Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or expired

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vii) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(viii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

ix) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

x) Derivative financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

b) Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.13 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.14 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.15 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

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3 RIGHT OF USE ASSETS

Particulars	Vehicles	Total
Carrying amount as at January 1, 2022	**185,215**	**185,215**
Add: Additions during the year	40,623	40,623
Less: Depreciation for the year	(90,568)	(90,568)
Carrying amount as at December 31, 2022	**135,270**	**135,270**
Carrying amount as at January 1, 2021	**156,330**	156,330
Add: Additions during the year	98,670	98,670
Less: Depreciation for the year	(69,785)	(69,785)
Carrying amount as at December 31, 2021	**185,215**	**185,215**

4 TRADE RECEIVABLES (UNSECURED)

Particulars	As at December 31, 2022	As at December 31, 2021
-Considered good	332,121	227,440
-Considered doubtful	1,669	1,150
	333,790	228,590
Less : Allowance for expected credit losses	(1,669)	(1,150)
Total	**332,121**	**227,440**

5 CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2022	As at December 31, 2021
Balances with banks		
On current accounts	17,078	17,965
Total	**17,078**	**17,965**

6 OTHER FINANCIAL ASSETS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Financial assets at amortised cost :				
Receivables from other related parties	-	1,685,594	-	1,919,023
Other receivable	-	3,112	-	6,477
Total	-	**1,688,706**	-	**1,925,500**

7 OTHER CURRENT ASSETS (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Prepaid Expenses	-	84,252	-	83,728
Advance to Suppliers	-	-	-	2,541
Total	-	**84,252**	-	**86,269**

(Amounts in Euro, unless otherwise stated)

8 EQUITY SHARE CAPITAL

Particulars	As at December 31, 2022	As at December 31, 2021
Issued, Subscribed and paid up		
1,800 equity shares with a nominal value of EURO 10 per share	18,000	18,000
Total	18,000	18,000

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
Outstanding as on beginning of the year	1,800	18,000
Outstanding as on end of the year	1,800	18,000

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding
Mobiquity Cooperatief U.A.	1,800	100%	1,800	100%

9 OTHER EQUITY

Particulars	As at December 31, 2022	As at December 31, 2021
Retained earnings	789,387	460,156
Total	789,387	460,156

a) Retained earnings

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance	460,156	73,703
Add : Net Profit for the year	329,231	386,453
Closing balance	789,387	460,156

10 LEASE LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Lease liabilities	70,488	68,210	125,372	62,638
Total	70,488	68,210	125,372	62,638

10 LEASE LIABILITIES

Particulars	Vehicles	Total
As at January 1, 2022	188,010	188,010
Add: Additions	40,623	40,623
Add: Interest expenses	5,273	5,273
Less: Lease payments	(95,208)	(95,208)
As at December 31, 2022	138,698	138,698
As at January 1, 2021	157,814	157,814
Add: Additions	98,670	98,670
Add: Interest expenses	4,500	4,500
Less: Lease payments	(72,974)	(72,974)
As at December 31, 2021	188,010	188,010

(Amounts in Euro, unless otherwise stated)

11 TRADE PAYABLES

Particulars	As at December 31, 2022	As at December 31, 2021
Trade payables	2,873	71,930
Total	2,873	71,930

12 OTHER FINANCIAL LIABILITIES

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Accrued expenses	-	66,517	-	45,773
Accrued employee benefit expenses	-	502,315	-	821,573
Payable to other related parties	-	-	-	-
Total	-	568,832	-	867,346

13 PROVISIONS

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Provision for leave encashment	-	176,395	-	187,875
Total	-	176,395	-	187,875

14 OTHER LIABILITIES (NON-FINANCIAL)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Non-current	Current	Non-current	Current
Statutory dues	-	563,242	-	629,072
Total	-	563,242	-	629,072

15 REVENUE FROM OPERATIONS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of services	3,970,281	4,719,435
Total	**3,970,281**	**4,719,435**

Timing of revenue recognition

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Services provided over a period of time	3,970,281	4,719,435
Total revenue from contracts with customers	**3,970,281**	**4,719,435**

16 OTHER INCOME

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Reversal of impairment provision on financial asset	236	-
Total	**236**	-

17 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries, wages and bonus	3,007,334	3,235,912
Pension contributions	301,517	316,163
Staff welfare expenses	17,218	23,552
Employee stock option compensation cost	-	244,115
Total	**3,326,069**	**3,819,742**

18 FINANCE COSTS

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense:		
- On lease liability	5,273	4,500
Total	**5,273**	**4,500**

19 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Depreciation on Right of use assets	90,568	69,785
Total	**90,568**	**69,785**

20 OTHER EXPENSES

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Communication expenses	2,248	3,243
Travelling and conveyance	33,216	78,778
Legal and professional fees	5,203	7,453
Insurance Charges	540	93,641
Balances written off	-	90,909
Miscellaneous expenses	17,911	6,949
Total	**59,118**	**280,973**

MOBIQUITY CONSULTING B.V.

NOTES FORMING PART OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Euro, unless otherwise stated)

21 EARNING PER SHARE (EPS)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit attributable to equity holders	329,231	386,453
Weighted average number of Equity Shares for basic and diluted EPS	1,800	1,800
Basic and Diluted Earnings per share	182.91	214.70

22 LEASES

The Company has taken vehicles on operating lease. The agreements are executed for a period ranging from 24 months to 65
The aggregate depreciation expense on right of use assets is included under depreciation expense in the statement of Profit and
The movement in lease liabilities has been disclosed in Note 10.

The below table provides the details regarding the contractual maturities of lease liabilities on discounted basis:

Particulars	As at December 31, 2022	As at December 31, 2021
Less than one year	68,210	62,638
One to Five years	70,488	125,372

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The weighted average incremental borrowing rate applied to lease liabilities as at 3%. p.a.

23 CONTINGENT LIABILITY AND COMMITMENTS

There are no contingent liabilities or commitments as at December 31, 2022.

24 RELATED PARTY DISCLOSURES

(a) Names of the related parties

Name of Related Party	Nature of Relationship
Hexaware Technologies Limited, India	Ultimate holding company
Hexaware Technologies Inc., USA	Intermediate holding company
Mobiquity Inc., USA	Intermediate holding company
Mobiquity Cooperatief UA, Netherlands	Holding company
Mobiquity BV, Netherlands	Fellow subsidiary
Mobiquity Velocity Solutions Inc., USA	Fellow subsidiary

(b) Details of transactions with related party in the ordinary course of business:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from operations (Refer Note 15)		
Mobiquity Inc., USA	39,431	85,818
Mobiquity BV, Netherlands	3,139,339	4,095,858

c) Outstanding balances

	As at December 31, 2022	As at December 31, 2021
Other financial assets (Refer Note 6)		
Mobiquity Inc., USA	13,963	67,269
Mobiquity BV, Netherlands	1,671,632	1,851,751
	1,685,595	**1,919,020**

25 SEGMENT INFORMATION

a) The Company is primarily engaged in development of mobile applications which is considered as the only reportable business segment and operates in one reportable geographical segment which is within Netherlands. The Chief operating decision maker monitors the operating results of its mobile application business as a whole for the purpose of making decisions about resource allocation and performance assessment. Hence no separate segment information has been furnished.

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from Development of Mobile applications	3,970,281	4,719,435
Total	**3,970,281**	**4,719,435**

26 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	**As at December 31, 2022**	**As at December 31, 2021**
A) Financial assets		
Financial assets measured at amortised cost		
Current		
Trade receivable	332,121	227,440
Cash and cash equivalents	17,078	17,965
Other financial assets	1,688,706	1,925,500
Total	**2,037,905**	**2,170,905**

Particulars	**As at December 31, 2022**	**As at December 31, 2021**
B) Financial liabilities		
Financial liabilities measured at amortised		
Non-current		
Lease liabilities	70,488	125,372
Current		
Lease liabilities	68,210	62,638
Trade payables	2,873	71,930
Contract liabilities	-	20,000
Other financial liabilities	568,832	867,346
Total	**710,403**	**1,147,286**

Carrying amount of cash and cash equivalents, trade receivable, contract assets, loan, 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 financial assets and liabilities subsequently measured at amortised cost is not significant.

27 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for determining the type and level of business risks that the Company undertakes to achieve its corporate objectives. The board of directors is accountable for maintaining an effective control environment that reflects established risks appetite and business objectives.
The Board of director's policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered, and emerging best practices.
The Company's activities expose it to the following risks: market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's doesn't have any interest bearing financial instruments. Hence, the Company is not exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk as transactions are mainly denominated in EURO, which is its functional currency.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(i) Cash and cash equivalents

Credit risk from balances with banks/financial institutions is considered nil, since the counterparty is a reputable bank with high quality external credit rating. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1".

(ii) Trade receivables (including contract assets)

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company's trade receivable are having short credit period and historically majority of trade receivables are recovered within short span of time.

Entire trade receivable outstanding as at reporting period are assessed individually for recoverability and consequent specific provisioning. If there are indication where provision is required based on management assessment of significant increase in credit risk bases on assessment of each trade receivable, allowance for expected credit loss is provided to the extent not considered probable of recovery. Specific provision may be required due to any reasons such as credit deterioration, etc. Trade receivable under specific provision case, are assessed individually. Currently, all trade receivables good and does not required allowance for expected credit loss.

i) The maximum exposure to credit risk is presented in the table below:

Particulars	As at December 31, 2022		
	Gross carrying amount	Allowance for expected credit losses	Amortised cost
Trade receivables	333,790	(1,669)	332,121
Total	**333,790**	**(1,669)**	**332,121**

Particulars	As at December 31, 2021		
	Gross carrying amount	Allowance for expected credit losses	Amortised cost
Trade receivables	228,590	(1,150)	227,440
Total	**228,590**	**(1,150)**	**227,440**

ii) Ageing Analysis of trade receivables:

Particulars	As at December 31, 2022			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	111,812	221,978	-	333,790
Less: Allowance for expected credit losses	111	(755)	(1,025)	(1,669)
Total	**111,923**	**221,223**	**(1,025)**	**332,121**

Particulars	As at December 31, 2021			
	Not due	Due less than 180 days	Due more than 180 days	Total
Trade receivables	228,590	-	-	228,590
Less: Allowance for expected credit losses	(1,150)	-	-	(1,150)
Total	**227,440**	-	-	**227,440**

iii) Set out below is the movement in the allowance for expected credit losses of trade receivables:

Particulars	As at December 31, 2022	As at December 31, 2021
Balance at the beginning of the period	1,150	-
Provided / Written back for the period	(236)	1,150
Amounts recovered during the period		-
Written off during the period	755	-
Balance at the end of the year	**1,669**	**1,150**

(iii) Other financial assets

Other financial assets mainly includes deposits, receivable from related parties etc. Based on assessment carried by the company, entire receivable is under this category is classified as "Stage 1". There is no history of loss and credit risk from other financial assets. Therefore credit risk from remaining other financial assets is not material and hence considered Nil.

Impact of covid 19 on financial asset

Financial assets of Euro 17,078 carried at amortised cost is in the form of cash and cash equivalents where the company has assessed counterparty credit risk. Trade receivables of Euro 332,121 as at December 31, 2022 forms a significant part of financial assets carried at amortised cost which is valued considering provision for loss allowance. In addition to historical pattern of loss allowance, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and financial strength of customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, no provision for allowance for doubtful trade receivables is required.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The tables have been drawn up based on the discounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

As at December 31, 2022	Less than 1 Year	1 to 5 years	more than 5 years	Total
Lease liabilities	68,210	70,488	-	138,698
Trade payables	2,873	-	-	2,873
Contract Liabilities	-			-
Other financial liabilities	568,832	-	-	568,832

As at December 31, 2021	Less than 1 Year	1 to 5 years	more than 5 years	Total
Lease liabilities	62,638	125,372	-	188,010
Trade payables	71,930	-	-	71,930
Contract Liabilities	20,000			20,000
Other financial liabilities	867,346	-	-	867,346

28 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares.

29 MATERIAL EVENTS AFTER BALANCE SHEET DATE

There is no significant event after reporting date which require adjustment or disclosure to the Financial Statements.

30 FINANCIAL STATEMENT APPROVAL

These Financial Statements have been approved and authorised by the Board on February 01, 2023.

GUNVANTLAL J SHAH & CO
CHARTERED ACCOUNTANTS

Gaurang G Shah, B.com, LLB, FCA
Kushagra G Shah, B.com, FCA, FRM, CISA, CFA
Mauli K Shah, M.com, FCA

INDEPENDENT AUDITOR'S REPORT

To
The Members of MOBIQUITY SOFTECH PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MOBIQUITY SOFTECH PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2022, profit, changes in equity and its cash flows for the year 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. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 financial statements under the provisions of the Act and the rules there under, 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.

41, First Floor, Kalyanbhuvan, Above Havmor, Relief Road, Ahmedabad- 380001
Ph.: 079-25356746, 25434500 E-Mail: gjsco@yahoo.co.in
(M)9898463358, 9825914828

MOBIQUITY SOFTECH PRIVATE LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2022

	Notes	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,40,58,859	7,77,22,180
Right of Use Assets	4	10,24,23,395	13,75,08,756
Financial assets			
Loans - Security deposits	5A	1,44,88,321	1,68,03,121
Deferred tax assets (net)	6B	3,76,18,882	3,02,91,913
Total non-current assets		22,85,89,457	26,23,25,970
Current assets			
Financial assets			
- Trade receivables	7	36,73,93,129	12,83,46,537
- Cash and cash equivalents	8A	6,91,52,948	2,94,43,405
- Other bank balances	8B	-	10,85,73,990
- Other financial assets	5B	-	23,257
Other current assets	9	2,72,92,421	2,73,26,338
Total current assets		46,38,38,498	29,37,13,527
Total assets		**69,24,27,955**	**55,60,39,497**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1,02,920	1,02,920
Other equity		41,44,59,184	28,20,75,610
Total equity		41,45,62,104	28,21,78,530
Non-current liabilities			
Financial liabilities			
- Lease Liabilities	11A	11,07,06,794	14,29,51,845
Provisions - Employee benefit obligations		5,76,84,818	4,98,60,510
Total non-current liabilities		16,83,91,612	19,28,12,355
Current liabilities			
Financial liabilities			
- Trade and other payables	12	80,93,454	17,68,836
(i) Dues of micro and small enterprises		-	-
(ii) Others	12	80,93,454	17,68,836
- Lease Liabilities	11B	2,48,35,961	2,55,49,581
Other financial liabilities	13	4,50,41,311	2,97,23,454
Other current liabilities	14	1,45,62,836	77,94,448
Employee benefit obligations		1,21,68,960	89,74,042
Current tax liabilities (net)		47,71,717	72,38,251
Total current liabilities		10,94,74,239	8,10,48,612
Total liabilities		27,78,65,851	27,38,60,967
Total equity and liabilities		**69,24,27,955**	**55,60,39,497**

The accompanying notes from 1 to 31 form an integral part of the financial statements
As per our report of even date

For Gunvantlal J Shah & Co
Chartered Accountants
Firm's Registration No: 103409W

Kushagra G Shah
(Partner)
Membership No : 129586

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Ahmedabad, dated February 6, 2023
UDIN - 23129586BGZCCF8800

For and on behalf of the Board of Directors

Philip William Poresky
(Director)
DIN: 08178985

Milankumar Patel
(Director)
DIN: 07890010

Ahmedabad, dated February 6, 2023

MOBIQUITY SOFTECH PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS

	Notes	For year ended December 31, 2022	For year ended December 31, 2021
INCOME			
Revenue from operations	15	1,23,35,97,370	84,43,48,591
Exchange rate difference (net)		1,60,35,060	-
Other Income	16	23,33,018	1,95,38,887
Total income		**1,25,19,65,448**	**86,38,87,478**
EXPENSES			
Employee benefits expense	17	95,46,60,423	61,05,10,996
Finance costs	18	1,33,36,385	1,56,96,691
Operation and other expenses	19	4,68,94,178	3,73,74,541
Exchange rate difference (net)		-	46,01,878
Depreciation and amortisation expense	3 & 4	6,03,89,289	5,66,06,753
Total expenses		**1,07,52,80,275**	**72,47,90,859**
Profit before tax		**17,66,85,173**	**13,90,96,619**
Tax Expense	6		
Current		5,23,27,920	4,25,00,000
Deferred Tax (Charge/Credit)		(70,58,315)	(79,30,610)
		4,52,69,605	3,45,69,390
Profit for the period		**13,14,15,568**	**10,45,27,229**
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		6,99,352	(15,25,878)
Income tax relating to items that will not be reclassified to profit or loss		2,68,654	(3,84,033)
Total other comprehensive income		9,68,006	(19,09,911)
Total comprehensive income for the period		**13,23,83,574**	**10,26,17,318**
Earnings per share (in Rupees)	21		
Basic		12,768.71	10,156.16
Diluted		12,768.71	10,156.16

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date

For Gunvantlal J Shah & Co
Chartered Accountants
Firm Registration No: 103409W

Kushagra

Kushagra G Shah
(Partner)
Membership No : 129586

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Ahmedabad, dated February 6, 2023
UDIN -

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For and on behalf of the Board of Directors

Philip William Poresky
(Director)
DIN: 08178985

Milankumar Patel
(Director)
DIN: 07890010

Ahmedabad, dated February 6, 2023

MOBIQUITY SOFTECH PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital **(Amount in Rs.)**

	As at December 31, 2022	As at December 31, 2021
Outstanding at the beginning of the period	1,02,920	1,02,920
Issued during the period	-	-
Outstanding at the end of the period	1,02,920	1,02,920

B. Other Equity

	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
Balances as at Jan 1, 2022	6,96,380	28,13,79,230	28,20,75,610
Profit for the period	-	13,14,15,568	13,14,15,568
Other comprehensive income	-	9,68,006	9,68,006
Total comprehensive income for the period	**-**	**13,23,83,574**	**13,23,83,574**
As at December 31, 2022	6,96,380	41,37,62,804	41,44,59,184
Balances as at Jan 1, 2021	6,96,380	17,87,61,912	17,94,58,292
Profit for the period	-	10,45,27,229	10,45,27,229
Other comprehensive income	-	(19,09,911)	(19,09,911)
Total comprehensive income for the period	**-**	**10,26,17,318**	**10,26,17,318**
As at December 31, 2021	6,96,380	28,13,79,230	28,20,75,610

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 .

Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date
For Gunvantlal J Shah & Co
Chartered Accountants
Firm's Registration No: 103409W

Kushagra G Shah
(Partner)
Membership No : 129586

Ahmedabad, dated February 6, 2023
UDIN - 23129586BGZCCF8800

For and on behalf of the Board of Directors

Philip William Poresky
(Director)
DIN: 08178985

Milankumar Patel
(Director)
DIN: 07890010

Ahmedabad, dated February 6, 2023

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

MOBIQUITY SOFTECH PRIVATE LIMITED

STATEMENT OF CASH FLOWS

	For year ended December 31, 2022	For year ended December 31, 2021
Cash Flow from operating activities		
Net Profit before tax	17,66,85,173	13,90,96,619
Adjustments for:		
Depreciation and amortization expense	6,03,89,289	5,66,06,753
Interest income	(5,44,092)	(47,41,516)
(Profit) / Loss on sale of property, plant and equipments (PPE) and intagible assets (net)	67,974	(2,62,554)
Finance Cost	1,33,36,385	1,56,96,691
Operating profit before working capital changes	**24,99,34,729**	**20,63,95,993**
Adjustments for:		
Trade receivables and other assets	(12,03,52,076)	(24,91,65,044)
Trade payables and other liabilities	3,94,22,936	2,61,97,532
Cash generated from operations	**16,90,05,589**	**(1,65,71,519)**
Direct taxes paid (net)	(5,47,94,454)	(3,60,61,384)
Net cash from operating activities	**11,42,11,135**	**(5,26,32,903)**
Cash flow from investing activities		
Purchase of PPE, Intangible assets and CWIP including advances	(2,87,83,150)	(4,54,56,496)
Interest received	5,44,092	47,41,516
Proceeds from sale of PPE	32,522	4,56,202
Net cash used in investing activities	**(2,82,06,536)**	**(4,02,58,778)**
Cash flow from financing activities		
Lease Liability Payment	(4,62,95,056)	(3,73,15,006)
Net cash used in financing activities	**(4,62,95,056)**	**(3,73,15,006)**
Net decrease in cash and cash equivalents	3,97,09,543	(13,02,06,687)
Cash and cash equivalents at the beginning of the period	2,94,43,405	15,96,50,092
Cash and cash equivalents at the end of the period (Refer note 8A)	6,91,52,948	2,94,43,405

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date

For Gunvantlal J Shah & Co

Chartered Accountants

Firm's Registration No: 103409W

Kushagra

Kushagra G Shah

(Partner)

Membership No : 129586

Ahmedabad, dated February 6, 2023

UDIN - 23129586BGZCCF8800

For and on behalf of the Boa **For and on behalf of the Boa**

Philip William Poresky
(Director)
DIN: 08178985

Milankumar Patel
(Director)
DIN: 07890010

Ahmedabad, dated February 6, 2023

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

MOBIQUITY SOFTECH PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

MOBIQUITY SOFTECH PRIVATE LIMITED ("Mobiquity India" or "The Company") is a private limited company incorporated in India under companies act 1956. The Company is engaged in software development and consultancy services.The company is focused on mobile technology solutions and provides end-to-end omnichannel digital consulting services.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

2.3.1 Income-tax

The major tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.2 Others

Other areas involving estimates relates to actuarial assumptions used to determine the carrying amount of defined benefit obligation and useful lives of Property Plant and Equipment.

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

2.4 Revenue Recognition

Effective April 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.

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 (Contract liability). Unbilled receivables (Contract assets) 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.

2.5 Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet

2.6

(a) **Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), the currency of the primary economic environment in which the Company operates.

(b) **Foreign currency**

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

2.8 Employee Benefits

a) **Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schmes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) **Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

2.9 Taxes on Income

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax liability is recognised for all taxable temporary differences arising on property, plant and equipment, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

2.10 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of schedule II to the Act.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Telephone and electronic Equipments (included in Plant and Machinery)	5 years
Furniture and Fixtures	10 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.
An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Software licenses are amortised over three years.

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.
An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Impairment

a) Financial assets (other than at fair value)

The company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 Provisions

Provisions are recognised when the company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

2.14 Non derivative financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) **Cash and cash equivalents**

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) **Financial liabilities**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.15 Earnings per share ('EPS')

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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3 Property, Plant and Equipment (PPE)

(Amount in Rs.)

PPE consist of the following :

	Plant and Machinery	Furniture and Fixtures	Leasehold Improvements	Total
COST				
At Jan 1, 2022	14,70,09,593	1,46,06,494	99,21,328	17,15,37,415
Additions	2,93,77,907	1,11,748	-	2,94,89,655
(Disposals) / Adjustments	(1,74,096)	-	-	(1,74,096)
At December 31, 2022	17,62,13,404	1,47,18,242	99,21,328	20,08,52,974
At Jan 1, 2021	9,96,63,367	1,45,99,924	99,21,328	12,41,84,619
Additions	4,95,00,502	6,570	-	4,95,07,072
(Disposals) / Adjustments	(21,54,276)	-	-	(21,54,276)
At December 31, 2021	14,70,09,593	1,46,06,494	99,21,328	17,15,37,415
ACCUMULATED DEPRECIATION				
At Jan 1, 2022	8,63,05,009	49,53,183	25,57,043	9,38,15,235
Charge for the period	3,05,43,916	12,81,185	12,27,381	3,30,52,482
Disposals	(73,602)	-	-	(73,602)
At December 31, 2022	11,67,75,323	62,34,368	37,84,424	12,67,94,115
At Jan 1, 2021	6,32,41,978	36,71,485	13,29,663	6,82,43,126
Charge for the period	2,50,23,659	12,81,698	12,27,380	2,75,32,737
Disposals	(19,60,628)	-	-	(19,60,628)
At December 31, 2021	8,63,05,009	49,53,183	25,57,043	9,38,15,235
NET CARRYING AMOUNT				
At December 31, 2022	5,94,38,081	84,83,874	61,36,904	7,40,58,859
At December 31, 2021	6,07,04,584	96,53,311	73,64,285	7,77,22,180

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4 Leases - Accounting Estimate

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Mobiquity's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Refer note no 2.5

The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The incremental borrowing rate applied to lease liabilities are as follows

Years	Rate
1-4 yrs.	8.80%
4-6 yrs.	9.00%
6-9 yrs.	9.25%
Above 60 yrs. *	9.25%

* We have assumed 6-9 yrs. rate for tenor above 60 yrs., as practically, no market rates are available for such long duration.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

Particulars	**Category of ROU asset - Buildings**	
	as at December 31, 2022	**as at December 31, 2021**
Balance as at beginning of the period	**13,75,08,756**	**16,65,82,908**
Additions	-	-
Deletion	(77,48,553)	-
Depreciation	(2,73,36,808)	(2,90,74,152)
Balance as at end of the period	**10,24,23,395**	**13,75,08,756**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at December 31, 2022

Particulars	**as at December 31, 2022**	**As at December 31, 2021**
Current lease liabilities	2,48,35,961	2,55,49,581
Non-current lease liabilities	11,07,06,794	14,29,51,845
Total	**13,55,42,755**	**16,85,01,426**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Following table presents various components of lease cost:

Particulars	**as at December 31, 2022**	**As at December 31, 2021**
Depreciation on Right of Use - Assets	2,73,36,808	2,90,74,152
Finance Cost - Lease Liability (refer note 18)	1,33,36,385	1,56,96,691
Total	**4,06,73,193**	**4,47,70,843**

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		As at December 31, 2022	As at December 31, 2021
5	**Other financial assets (unsecured) (considered good)**		
A	**Non-current**		
	Security deposits for premises and others	1,44,78,321	1,67,93,121
	Security deposits with NSDL	10,000	10,000
		1,44,88,321	1,68,03,121
B	**Current**		
	Employee advances	-	23,257
		-	23,257
7	**Trade Receivables (unsecured)**		
	Undisputed - Considered good	36,73,93,129	12,83,46,537
	Undisputed - Considered doubtful	-	-
	Less: Allowance for doubtful receivables	-	-
		36,73,93,129	12,83,46,537
8	**Cash and bank balances:**		
A	**Cash and cash equivalents**		
	In current accounts with banks	6,91,52,948	2,94,43,405
		6,91,52,948	2,94,43,405
B	**Other Bank Balances**		
	Fixed Deposits with HDFC Ltd (maturing within 12 months)	-	10,85,73,990
		-	10,85,73,990
9	**Other current assets**		
	Prepaid expenses	1,01,12,364	42,06,876
	Indirect taxes recoverable	1,71,26,411	2,31,12,836
	Others	53,646	6,626
		2,72,92,421	2,73,26,338
11	**Other liabilities**		
A	**Non-Current**		
	Lease Liabilities	11,07,06,794	14,29,51,845
		11,07,06,794	14,29,51,845
B	**Current**		
	Lease Liabilities	2,48,35,961	2,55,49,581
		2,48,35,961	2,55,49,581
12	**Trade and other payables**		
	Trade payables	15,61,020	4,64,626
	Accrued expenses	65,32,434	13,04,210
		80,93,454	17,68,836
13	**Other financial liabilities**		
	Capital Creditors	52,11,206	45,04,701
	Employee liabilities	3,98,30,105	2,52,18,753
		4,50,41,311	2,97,23,454
14	**Other current liabilities**		
	Statutory liabilities	1,43,72,879	77,31,086
	Other Liabilities	1,89,957	63,362
	Unearned Revenue	-	-
		1,45,62,836	77,94,448

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			For year ended December 31, 2022	For year ended December 31, 2021
6	**A**	**Income taxes**		
		Income tax expense is allocated as follows :		
		Income tax expense as per the Statement of Profit and Loss	5,23,27,920	4,25,00,000
			5,23,27,920	4,25,00,000

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6B	Components of deferred taxes:	Jan 1, 2022	Recognised in profit or loss	Recognised in OCI	Recognised in Retained Earnings	December 31, 2022
	Deferred tax assets					
	Depreciation	3,17,401	4,43,579			7,60,980
	Employee benefit obligations	2,10,25,310	60,79,489	2,68,654		2,73,73,453
	ROU and Lease Libaility	78,00,234	5,35,247			83,35,481
	Minimum alternate tax credit carry forward	-	-			-
	Cummulative Correction Ind AS 116	11,48,968	-			11,48,968
	Total	3,02,91,913	70,58,315	2,68,654	-	3,76,18,882
	Deferred tax liabilities					
	Unrealised gain on cash flow hedges	-	-	-	-	-
	Depreciation	-	-	-	-	-
	Total	-	-	-	-	-
	Net deferred tax asset	3,02,91,913	70,58,315	2,68,654	-	3,76,18,882

6B	Components of deferred taxes:	January 1, 2021	Recognised in profit or loss	Recognised in OCI	Recognised in Retained Earnings	December 31, 2021
	Deferred tax assets					
	Depreciation	5,97,002	(2,79,601)			3,17,401
	Employee benefit obligations	1,50,75,616	63,33,727	(3,84,033)		2,10,25,310
	ROU and Lease Libaility	59,23,750	18,76,484			78,00,234
	Minimum alternate tax credit carry forward	-	-			-
	Cummulative Correction Ind AS 116	11,48,968	-			11,48,968
	Total	2,27,45,336	79,30,610	(3,84,033)	-	3,02,91,913
	Deferred tax liabilities					
	Unrealised gain on cash flow hedges	-	-	-	-	-
	Depreciation	-	-	-	-	-
	Total	-	-	-	-	-
	Net deferred tax asset	2,27,45,336	79,30,610	(3,84,033)	-	3,02,91,913

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10 Equity Share Capital

(Amount in Rs.)

		As at December 31, 2022	As at December 31, 2021
10.1	Authorised capital		
	20,000 Equity shares of Rs. 10 each	2,00,000	2,00,000
10.2	Issued, subscribed and paid-up capital		
	Equity shares of Rs. 10 each	1,02,920	1,02,920
10.3	Reconciliation of number of shares		
	Shares outstanding at the beginning of the period	10,292	10,292
	Shares issued during the period	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the period/ year	10,292	10,292

10.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The Company has not declared any dividend during the period. 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.

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

Name of Shareholder			
Hexaware Technologies Limited (including one equity share held by each as nominee of the holding company 1. Mr. Riten Gosar 2. Mr. Shyam Mansukhani 3. Mr. Jacob P 4. Ms. Mailini Moorthy 5. Mr. Akshay Bochia 6. Ms. Gunjan Methi 7. Ms. Ayesha Nair)	No. of shares held	10,292	10,292
	% of holding	100.00%	100.00%

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15 Revenue from operations

15.1 The disaggregated revenue with the customers for the year ended 31 December 2022 by contract type:

	(In Rupees)	(In Rupees)
	For year ended December 31, 2022	**For year ended December 31, 2021**
Time and Material contracts	1,23,35,97,370	84,43,48,591
Total revenue from operations	**1,23,35,97,370**	**84,43,48,591**

15.2 The revenue from contracts as per geography for the year ended 31 December 2022 is as under:

	For year ended December 31, 2022	**For year ended December 31, 2021**
Europe	1,23,35,97,370	84,43,48,591
Total revenue from operations	**1,23,35,97,370**	**84,43,48,591**

15.3 Unearned / Unbilled revenue are as follows:

	For year ended December 31, 2022	**For year ended December 31, 2021**
Balance as at the beginning of the period	-	(4,46,974)
Revenue recognised during the period	-	4,46,974
Increase / Decrease due to excess / short invoicing during the period	-	-
Balance as at the end of the period	**-**	**-**

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		For year ended December 31, 2022	For year ended December 31, 2021
16	**Other income**		
	Interest income	5,44,092	47,41,516
	Profit on sale of PPE (net)	-	2,62,554
	Discount Earned	2,115	31,092
	GST Credit Adjustment	-	31,31,447
	Security Deposit Recognised	-	1,13,41,167
	Miscellaneous income	1,89,956	31,111
	Gain on Closure of Lease	15,96,855	-
		23,33,018	1,95,38,887
17	**Employee benefits expense**		
	Salary and allowances	89,90,28,550	57,24,55,042
	Contribution to provident and other funds	2,10,83,228	1,24,98,759
	Staff welfare expenses	57,35,207	43,15,509
	Gratuity and Leave Encashment Benefits	2,88,13,438	2,12,41,686
		95,46,60,423	61,05,10,996
18	**Finance costs**		
	Interest on lease liabilities	1,33,36,385	1,56,96,691
		1,33,36,385	1,56,96,691
19	**Operation and other expenses**		
	Travelling and conveyance	55,78,321	6,72,810
	Electricity charges	20,77,860	12,49,413
	Communication expenses	27,38,516	7,99,706
	Repairs and maintenance	49,39,132	45,34,486
	Office Expense	89,63,905	44,21,000
	Auditors remuneration	10,07,500	10,72,500
	Legal and professional fees	11,65,993	16,83,364
	Training expense	7,37,756	8,12,119
	Bank and other charges	45,857	14,717
	Insurance charges	70,94,160	73,17,011
	Staff recruitment expenses	1,09,47,529	1,36,45,894
	Service charges	13,92,515	11,49,535
	Interest expenses on Late payment of Statutory Payments	2,05,134	1,986
		4,68,94,178	3,73,74,541

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20 Employee benefit expenses

20.1 Employee benefit plans

i) **Provident Fund and Superannuation Fund and other similar funds**

a) In respect of employees in India

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The company is contributing to the Government administered employee Provident and Pension Fund.

During the year, the Company has recognized expenses towards contributions to provident fund and other funds of Rs.1,11,50,311 (Previous period Rs 77,56,192)

During the year, the Company has recognized expenses towards contributions to National Pension Scheme of Rs. 99,32,917 (Previous period Rs. 47,42,567)

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20.2 Employee benefit plans (contd.)

ii) **Gratuity Plan**

The gratuity plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of completed years of service or part thereof in excess of six months based on the employee's service and last drawn salary at the time of le do not contribute towards this plan and the full cost of providing these benefits are met by the Company. Vesting occurs on completioi service.

The following table sets out the status of the gratuity plan for the period ended December 31: (Amount in Rs.)

Particulars	31 December 2022	31 December 2021
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**2,84,82,774.00**	**1,99,91,928.00**
Current service cost	1,12,64,716.00	69,50,741.00
Interest cost	18,07,620.00	11,67,761.00
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	(28,00,042.00)	(11,99,760.00)
- Actuarial loss/(gains) arising from change in demographical assumptions		
- Actuarial loss/(gains) arising on account of experience changes	21,00,690.00	34,42,487.00
Benefits paid	(26,10,000.00)	(18,70,383.00)
Closing defined benefit obligation	***3,82,45,758.00***	***2,84,82,774.00***
Change in the Fair Value of Assets		
Opening fair value of plan assets	-	-
Interest on plan assets	-	-
Remeasurement due to actual return on plan assets less interest on plan assets	-	-
Contribution by employer	26,10,000.00	18,70,383.00
Benefits paid	(26,10,000.00)	(18,70,383.00)
Closing fair value of plan assets	-	-
Net liability as per actuarial valuation	***3,82,45,758.00***	***2,84,82,774.00***
Expense charged to statement of profit and loss:		
Current service cost	1,12,64,716.00	69,50,741.00
Net interest on defined benefit plan	18,07,620.00	11,67,761.00
Total Included in Employment expenses	***1,30,72,336.00***	***81,18,502.00***
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	(28,00,042.00)	(11,99,760.00)
- changes in demographical assumptions	-	-
- Experience adjusments	21,00,690.00	34,42,487.00
- Actual return on plan assets less interest on plan assets	-	-
Total amount recognised in other comprehensive income	***(6,99,352.00)***	***22,42,727.00***
Actual return on plan assets	-	-
Category of assets -Insurer Managed Fund #	-	-

Financial assumptions at the valuation date	31 December 2022	31 December 2021
Discount rate	7.45%	6.30%
Rate of increase in compensation levels of covered employees *	8.00%	8.00%

* The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and oth

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting perioc an increase or decrease in the reported assumption by 50 basis points:

Impact on defined benefit obligation	December 31, 2022		December 31, 2021	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-3.13%	3.06%	-3.31%	3.28%
Decrease in 50 bps	3.31%	-2.96%	3.51%	-3.15%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity profile	Amount in Rs
Year 1	42,89,606.00
Year 2	47,28,206.00
Year 3	46,32,592.00
Year 4	52,06,773.00
Year 5	51,55,087.00
Thereafter	4,47,78,842.00

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The weighted average duration to the payment of these cash flows is 6.43 years.

21 Earnings per share

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

	For year ended December 31, 2022	For year ended December 31, 2021
Net profit after tax (In Rupees)	13,14,15,568	10,45,27,229
Weighted average outstanding equity shares considered for basic EPS (Nos.)	10,292	10,292
Basic earnings per share (In Rupees)	12,768.71	10,156.16
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	10,292	10,292
Diluted earnings per share (In Rupees)	12,768.71	10,156.16

22 Related party disclosures

Name of the Related Parties	Country
Ultimate Holding company and its Subsidiaries	
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists) (upto November 10, 2021)	Cayman Island
The Baring Asia Private Equity Fund V, LP, Cayman Island (upto November 10,2021)	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius (upto November 10,2021)	Mauritius
HT Global IT Solutions Holdings Limited, Mauritius (upto November 10,2021)	Mauritius
CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
HT Global Holdings B.V. (upto November 10, 2021)	Netherlands
Holding Company (control exists)	
Hexaware Technologies Limited	India
Mobiquity B.V.	Netherland
Key Management Personnel (KMP)	
Executive Director	
Mr Milan Patel	

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(Amount in Rs.)

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 year ended December 31, 2022	For year ended December 31, 2021
Software and consultancy income	**Affiliated subisdiary**		
	Mobiquity B.V.	1,23,35,97,370	84,43,48,591
		1,23,35,97,370	**84,43,48,591**
Remuneration to KMP's and Directors			
	Short term employee benefits	83,23,809	45,66,087
		83,23,809	**45,66,087**

Outstanding Balances

Name of the Related party and Relationship	As at December 31, 2022	As at December 31, 2021
Affiliated Subsidiaries		
Trade and other receivable		
- Mobiquity B.V., Netherland	36,73,93,129	12,83,46,537

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23 Financial Instruments

A Category of financials instrument

1 All financial instruments (except investment in fellow subsidiary and associate) are measured at amortised cost. Carrying amount of cash and cash equivalents, trade receivables, unbilled revenue, trade and other payables, other financial assets and liabilities approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of, unbilled revenue and other financial assets subsequently measured at amortised cost is not significant in each of the years presented.

2 Investment in fellow subsidiary is measured at fair value through other comprehensive income.

3 Investment in Associate is measured at cost.

B 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 observed and the significance of the inputs to the fair value measurements in its entirely, 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

Fair value of Investments in fellow subsidiary is categorised into Level 3

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C Valuation technique

Cost of investment in fellow subsidiary is considered to be representative of fair value.

22.1 The carrying value / fair value of financial instruments by categories is as follows:

(Amount in Rs.)

December 31, 2022	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	6,91,52,948	-	-	-	6,91,52,948
Loans - Security deposits	1,44,88,321	-	-	-	1,44,88,321
Trade receivables	36,73,93,129	-	-	-	36,73,93,129
	45,10,34,398	-	-	-	45,10,34,398
Trade payables	80,93,454	-	-	-	80,93,454
Lease Liabilities	13,55,42,755	-	-	-	13,55,42,755
Other financials liabilities	4,50,41,311	-	-	-	4,50,41,311
	18,86,77,520	-	-	-	18,86,77,520

December 31, 2021	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,94,43,405	-	-	-	2,94,43,405
Loans - Security deposits	1,68,03,121	-	-	-	1,68,03,121
Trade receivables	12,83,46,537	-	-	-	12,83,46,537
Other financial assets	23,257	-	-	-	23,257
	17,46,16,320	-	-	-	17,46,16,320
Trade payables	17,68,836	-	-	-	17,68,836
Lease Liabilities	16,85,01,426	-	-	-	16,85,01,426
Other financials liabilities	2,97,23,454	-	-	-	2,97,23,454
	19,99,93,716	-	-	-	19,99,93,716

23 Financial Instruments (Cont'd)

23.2 Financial risk management

The Company has identified the risks under verticals like client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

In year 2022, Europe contributed 100 % (year 2021 - 100%) of the Company's total revenue. The company provides servies to one of the group entity based out in Eurpoe region which is growing rapidly in IT Industry and expanding its footprint across Europe and Asia region. Since the customer of the company is one of the group entity, the credit risk exposure is low.

100% of the revenue of the year is generated from single customer. Any loss or major downsizing by this client may impact company's profitability.

Credit risk

Since the customer of the company is one of the group entity, the credit risk exposure is low. Company's maximum credit exposure is in respect of trade receivables of Rs. 36,73,93,129 as at December 31, 2022 and Rs. 12,83,46,537/- as at December 31, 2021, respectively.

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents include money held in current account with banks with high credit-ratings assigned by credit-rating agencies.

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AHMEDABAD
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24 Ageing for trade payables outstanding as at December 31, 2022 is as follows:

31 December 2022	**Current**							
Particulars	**Unbilled Dues**	**Not Due**	**Outstanding for following periods from due date of Receipts**					
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	**Total**
(i) Undisputed Trade receivables – considered good	-	-	36,73,93,129	-	-	-	-	36,73,93,129
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	-
	-	-	36,73,93,129	-	-	-	-	36,73,93,129

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

31 December 2021	**Current**							
Particulars	**Unbilled Dues**	**Not Due**	**Outstanding for following periods from due date of Receipts**					
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	**Total**
(i) Undisputed Trade receivables – considered good	-	-	12,83,46,537	-	-	-	-	12,83,46,537
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	-
	-	-	12,83,46,537	-	-	-	-	12,83,46,537

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25 Ageing for trade payables outstanding as at December 31, 2022 is as follows:

31 December 2022	**Current**						
Particulars	**Unbilled Dues**	**Payables Not Due**	**Outstanding for following periods from due date of Payment**				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	-	15,61,020	-	-	-	15,61,020
(iv)Disputed dues - Others	-	-	-	-	-	-	-
	-	-	15,61,020	-	-	-	15,61,020

Accrued Expenses	65,32,434
	80,93,454

Ageing for trade payables outstanding as at December 31, 2021 is as follows:

31 December 2021	**Non Current**						
Particulars	**Unbilled Dues**	**Payables Not Due**	**Outstanding for following periods from due date of Payment**				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-		4,64,626	-	-	-	4,64,626
(iv)Disputed dues - Others	-	-	-	-	-	-	-
	-	-	4,64,626	-	-	-	4,64,626

Accrued Expenses	13,04,210
	17,68,836

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26 Additional Regulatory Information - Financial ratios

S No.	Ratio	Particulars		Ratio as on	Ratio as on	December 31, 2022		December 31, 2021		Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	December 31, 2022	December 31, 2021	Numerator	Denominator	Numerator	Denominator		
(a)	Current ratio (in times)	Total Current Assets	Total Current Liability	4.24	3.62	46,38,38,498	10,94,74,239	29,37,13,527	8,10,48,612	-17%	
(b)	Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.33	0.60	13,55,42,755	41,45,62,104	16,85,01,426	28,21,78,530	45%	Profit has increased in FY 2022 as compared to FY 2021 and Lease Liabilities has reduced on account of closure lease liability.
(c)	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	4.20	3.99	25,04,10,847	5,96,31,441	21,14,00,063	5,30,11,697	-5%	
(d)	Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	31.70%	37.04%	13,14,15,568	41,45,62,104	10,45,27,229	28,21,78,530	14%	
(e)	Trade receivables turnover ratio (in times)	Revenue from operations	Trade receivables (including unbilled receivables and contract asset)	4.98	12.33	1,23,35,97,370	24,78,69,833	84,43,48,591	6,84,97,361	60%	Increase in Trade Receivable amount in FY 2022 as compared to FY 2021.
(f)	Trade payables turnover ratio (in times)	Other operating expenses (net of doubtfull debts)	Trade payables	46.30	110.10	4,68,94,178	10,12,823	3,73,74,541	3,39,469	58%	Purchases has increased in FY 2022 as compred to FY 2021 with very less Trade Payables remaining unpaid.
(g)	Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	4.35	4.88	1,23,35,97,370	28,35,14,587	84,43,48,591	17,30,49,706	11%	
(h)	Net profit ratio (in %)	Profit for the year	Revenue from operations	10.65%	12.38%	13,14,15,568	1,23,35,97,370	10,45,27,229	84,43,48,591	14%	
(i)	Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	34.54%	34.35%	19,00,21,558	55,01,04,859	15,47,93,310	45,06,79,956	-1%	Profit has increased in FY 2021-23 as compred to last year

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MOBIQUITY SOFTECH PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

27 Contingent liabilities
There is no Contingent liabilities as at December 31, 2022.

28 Material events after Balance Sheet date
There is no significant event after reporting date which requires amendments or disclosure to the condensed financial statements

29 The company operates under one segment and no separate disclosure is made. The company provides Software development services and provides services to customer based in only one geographic location

30 Approval of financial statements
The financial statements were approved for issue by the Board of Directors on February 6, 2023.

31 Figures of Previous years are regrouped and reclassified wherever necessary.

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Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

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Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 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 financial statements, including the disclosures, and whether the 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.

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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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014**;**

(e) On the basis of the written representations received from the directors as on December 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on December 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Gunvantlal J Shah & Co
Chartered Accountants

Kushagra G Shah (M. No. 129586)
Partner

Ahmedabad

Date: 06/02/2023

UDIN: 23129586BGZCCF8800

Annexure-A referred to in our report of even date

Report as required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements as of December 31, 2022 of MOBIQUITY SOFTECH PRIVATE LIMITED ("the company") and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

I) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B) The company has maintained proper records showing full particulars of intangible assets.

b) The major property, plant and equipment of the company have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us, the company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

d) The company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) act, 1988 (45 of 1988) and rules made thereunder during the year.

II) In respect of Inventory

a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

III) According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

IV) According to the information and explanation given to us, the company has complied with requirements of section 185 and 186 in respect of loans, investments, guarantees or security made by it during the year under audit.

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V) The company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the companies act, 2013 and the rules framed there under, where applicable. Accordingly, the provisions of clause 3(v) of the order are not applicable.

VI) To the best of our knowledge and belief, the central government has not specified maintenance of cost records under sub-section (1) of section 148 of the act, in respect of company's products/ services. Accordingly, the provisions of clause 3(vi) of the order are not applicable.

VII) In respect of statutory dues

a) The company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) There are no dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

VIII) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

IX) In respect of loans taken by the company,

a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable

b) Company is not declared wilful defaulter by any bank or financial institution or other lender;

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable

d) According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;

e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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X) In respect of initial public offer and private placements

a) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year;

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI) a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the companies act has been filed by the auditors in form adt-4 as prescribed under rule 13 of companies (audit and auditors) rules, 2014 with the central government;

c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

XII) Company is not a Nidhi Company, accordingly provisions of the clause 3(xii) of the order is not applicable to the company.

XIII) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

XIV) a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

b) We have considered the reports of the internal auditors for the period under audit;

XV) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the order is not applicable.

XVI) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a core investment company as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the order are not applicable

XVII) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;

XVIII) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the order is not applicable;

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XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

XX) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing projects for which reporting is to be done under this clause.

For Gunvantlal J Shah & Co
Chartered Accountants

Kushagra G Shah (M. No. 129586)
Partner

Ahmedabad

Date: 06/02/2023

UDIN: 23129586BGZCCF8800

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AHMEDABAD
CHARTERED ACCOUNTANTS

Annexure-B referred to in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MOBIQUITY SOFTECH PRIVATE LIMITED ("the Company") as of December 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gunvantlal J Shah & Co
Chartered Accountants

Kushagra G Shah (M. No. 129586)
Partner
Ahmedabad

Date: 06/02/2023

UDIN: 23129586BGZCCF8800

GUNVANTLAL J. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS