



Independent Auditor's Report

To the Members of Hexaware Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Hexaware Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 December 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2021, and 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 Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 in the 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 and Board of Directors' Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The standalone financial statements as at and for the year ended 31 December 2021 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation, and, in our opinion, such financial statements expressed in Indian rupee have been translated into United States dollars on the basis set forth in Note 2.2 to the standalone financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.



- e) On the basis of the written representations received from the directors as on 31 December 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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:
- i. The Company has disclosed the impact of pending litigations as at 31 December 2021 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 32A to the standalone financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 December 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid / payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants

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

Glenn D'souza
Partner

Place: Mumbai

Membership No: 112554

Date: 10 February 2022

ICAI UDIN: 22112554ABEOMT3033



Annexure A

to the Independent Auditor's Report on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2021

Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets, by which all the items of fixed assets are covered in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, except for one parcel of leasehold land at Nagpur (amounting to ₹ 77.15 million), disclosed in Note 4 to the standalone financial statements.
- (ii) The Company is a service company primarily engaged in providing information technology and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made and guarantees given. The Company had not granted any loan or security to the parties covered under the provisions of Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of pending loan or securities are not applicable to the Company.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
 - (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
 - (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues were in arrears as at 31 December 2021, for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or Value added tax and other material statutory dues which have not been deposited with appropriate authorities on account of disputes except for the following:

Name of the Act	Nature of Dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	1.10	Financial year 2008-09	Assessing Officer
Income-tax Act, 1961	Income-tax	2.76	Financial year 2010-11	Commissioner of Income Tax (Appeals)

- (vii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution, bank or Government and there are no dues to debenture holders during the year.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (ix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any material instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (x) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants

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

Glenn D'souza
Partner

Place: Mumbai
Date: 10 February 2022

Membership No: 112554
ICAI UDIN: 22112554ABEOMT3033



Annexure B

to the Independent Auditor's Report on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Hexaware Technologies Limited ("the Company") as of 31 December 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 December 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in

accordance with the Guidance Note and the Standards on Auditing, prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance



with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial

statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants

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

Glenn D'souza
Partner

Place: Mumbai
Date: 10 February 2022

Membership No: 112554
ICAI UDIN: 22112554ABEOMT3033



Standalone Balance Sheet

₹ in millions, except share and per share data, unless otherwise stated

	Note	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 Supplementary information convenience translation (See Note 2.2) (in USD millions)
ASSETS				
Non-current assets				
Property, plant and equipment	5	5,506.20	5,914.82	74.07
Capital work-in-progress	5	129.83	111.03	1.75
Right-of-use assets	4	2,748.32	2,821.89	36.97
Other intangible assets	6	54.15	62.16	0.73
Financial assets:				
Investments	7A	4,543.02	2,311.16	61.12
Loans - Security deposits	9A	321.31	321.37	4.32
Other financial assets	10A	226.96	185.32	3.05
Deferred tax assets (net)	8C	1,352.21	1,535.14	18.19
Income tax assets (net)		289.95	502.74	3.90
Other non-current assets	11A	124.98	182.56	1.68
Total non-current assets		15,296.93	13,948.19	205.78
Current assets				
Financial assets:				
Investments	7B	1,224.26	-	16.47
Trade receivables	12	7,532.69	8,474.07	101.33
Unbilled receivables		1,731.86	1,344.98	23.30
Cash and cash equivalents	13A	8,056.21	5,272.52	108.38
Other bank balances	13B	115.49	147.27	1.55
Loans - Security deposits	9B	1.41	32.90	0.02
Other financial assets	10B	773.91	609.95	10.41
Other current assets	11B	927.70	767.41	12.48
Total current assets		20,363.53	16,649.10	273.94
TOTAL ASSETS		35,660.46	30,597.29	479.72
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	603.23	600.66	8.12
Other equity		26,149.56	22,479.23	351.78
Total equity		26,752.79	23,079.89	359.90
Non-current liabilities				
Financial liabilities:				
Lease liabilities	25	2,149.42	2,204.07	28.92
Other financial liabilities	15A	2.95	20.48	0.04
Provisions				
Employee benefit obligations in respect of gratuity and others		1,007.59	886.60	13.55
Other non-current liabilities	17A	3.27	45.35	0.04
Total non-current liabilities		3,163.23	3,156.50	42.55
Current liabilities				
Financial liabilities:				
Lease liabilities	25	230.35	124.78	3.10
Trade payables				
Dues of micro enterprises and small enterprises	30	40.17	6.23	0.54
Dues of other than micro enterprises and small enterprises	16	2,682.22	1,894.48	36.08
Other financial liabilities	15B	1,197.07	1,214.43	16.10
Other current liabilities	17B	748.90	304.24	10.07
Provisions				
Employee benefit obligations in respect of compensated absences and others		528.60	424.11	7.11
Income tax liabilities (net)		317.12	392.63	4.27
Total current liabilities		5,744.44	4,360.90	77.27
Total liabilities		8,907.67	7,517.40	119.82
TOTAL EQUITY AND LIABILITIES		35,660.46	30,597.29	479.72

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number:101248W/W-100022

Glenn D'souza

Partner

Membership number: 112554

Place: Mumbai

Date: February 10, 2022

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

CIN: U72900MH1992PLC069662

Neeraj Bharadwaj

Director

DIN 01314963

Place: New Delhi

Date: February 09, 2022

Milind Sarwate

Independent Director

DIN 00109854

Place: Mumbai

Date: February 09, 2022

Kapil Modi

Director

DIN 07055408

Place: Mumbai

Date: February 09, 2022

Vikash Kumar Jain

Chief Financial Officer

Place: Mumbai

Date: February 09, 2022

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: February 09, 2022

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 09, 2022



Standalone Statement of Profit and Loss

₹ in millions, except share and per share data, unless otherwise stated

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 Supplementary information convenience translation (See Note 2.2) (in USD millions)
INCOME				
Revenue from operations	18	32,166.52	24,277.87	432.72
Exchange rate difference (net)		616.34	389.36	8.29
Other income	19	63.05	520.31	0.85
TOTAL INCOME		32,845.91	25,187.54	441.86
EXPENSES				
Employee benefits expense	20	16,891.85	13,741.00	227.24
Finance costs	22	217.95	281.09	2.93
Depreciation and amortisation expense	4, 5, 6	1,202.06	1,130.22	16.17
Operating and other expenses	21	7,272.71	3,722.82	97.84
TOTAL EXPENSES		25,584.57	18,875.13	344.18
PROFIT BEFORE TAX		7,261.34	6,312.41	97.68
Tax expense				
Current tax	8	1,301.18	954.84	17.50
Deferred tax charge / (credit)	8	87.24	(24.20)	1.17
Total tax expense		1,388.42	930.64	18.68
PROFIT FOR THE YEAR		5,872.92	5,381.77	79.00
OTHER COMPREHENSIVE INCOME (OCI)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plan	27	158.57	(133.87)	2.13
Income tax relating to items that will not be reclassified to profit or loss	8A	(28.84)	48.08	(0.39)
Items that will be reclassified subsequently to profit or loss				
Net change in fair value of cash flow hedges		366.26	125.26	4.93
Income tax relating to items that will be reclassified to profit or loss	8A	(79.79)	(100.64)	(1.07)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		416.20	(61.17)	5.60
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,289.12	5,320.60	84.60
Earnings per equity share:- Basic and diluted (₹)	23			
Basic		19.49	17.98	0.26
Diluted		19.33	17.74	0.26

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number:101248W/W-100022

Glenn D'souza

Partner

Membership number: 112554

Place: Mumbai

Date: February 10, 2022

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

CIN: U72900MH1992PLC069662

Neeraj Bharadwaj

Director

DIN 01314963

Place: New Delhi

Date: February 09, 2022

Milind Sarwate

Independent Director

DIN 00109854

Place: Mumbai

Date: February 09, 2022

Kapil Modi

Director

DIN 07055408

Place: Mumbai

Date: February 09, 2022

Vikash Kumar Jain

Chief Financial Officer

Place: Mumbai

Date: February 09, 2022

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: February 09, 2022

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 09, 2022



Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ in millions, except share and per share data, unless otherwise stated

	As at December 31, 2021	As at December 31, 2020
Outstanding at the beginning of the year	600.66	596.77
Changes in equity share capital during the year ¹	2.57	3.89
Outstanding at the end of the year	603.23	600.66

B. OTHER EQUITY

₹ in millions, except share and per share data, unless otherwise stated

	Reserves and surplus								Other comprehensive income	Total equity
	Share application money pending allotment	Securities premium	Capital reserve	Capital redemption reserve	Special Economic Zone re- investment reserve	Share options outstanding account	General reserve	Retained earnings	Cashflow hedging reserve (CFHR)	
Balance as at January 1, 2021	0.04	4,290.43	4.38	11.39	380.20	824.65	2,117.71	14,599.75	250.68	22,479.23
Profit for the year	-	-	-	-	-	-	-	5,872.92	-	5,872.92
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	129.73	286.47	416.20
Total comprehensive income	-	-	-	-	-	-	-	6,002.65	286.47	6,289.12
Dividend	-	-	-	-	-	-	-	(2,409.43)	-	(2,409.43)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	625.96	-	-	(625.96)	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(501.90)	-	-	501.90	-	-
Received / transferred on exercise of stock options	(0.04)	296.76	-	-	-	(296.76)	-	-	-	(0.04)
Repurchase of restricted stock units ⁴	-	-	-	-	-	(1,097.24)	-	-	-	(1,097.24)
Compensation related to employee share based payments	-	-	-	-	-	887.92	-	-	-	887.92
Balance as at December 31, 2021	-	4,587.19	4.38	11.39	504.26	318.57	2,117.71	18,068.91	537.15	26,149.56
Balance as at December 31, 2021 (in USD millions) ³	-	61.71	0.06	0.15	6.78	4.29	28.49	243.07	7.23	351.78
Balance as at December 31, 2019	-	3,846.22	4.38	11.39	-	807.77	2,117.71	11,902.79	226.06	18,916.32
Transition impact of Ind AS 116, net of tax ²	-	-	-	-	-	-	-	(126.45)	-	(126.45)
Restated balance as at January 1, 2020	-	3,846.22	4.38	11.39	-	807.77	2,117.71	11,776.34	226.06	18,789.87
Profit for the year	-	-	-	-	-	-	-	5,381.77	-	5,381.77
Other comprehensive income / (losses) (net of tax)	-	-	-	-	-	-	-	(85.79)	24.62	(61.17)
Total comprehensive income	-	-	-	-	-	-	-	5,295.98	24.62	5,320.60
Dividend	-	-	-	-	-	-	-	(2,092.37)	-	(2,092.37)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	(258.25)	-	-	258.25	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	638.45	-	-	(638.45)	-	-
Received / transferred on exercise of stock options	0.04	444.21	-	-	-	(444.21)	-	-	-	0.04
Repurchase of restricted stock units	-	-	-	-	-	-	-	-	-	-
Compensation related to employee share based payments	-	-	-	-	-	461.09	-	-	-	461.09
Balance as at December 31, 2020	0.04	4,290.43	4.38	11.39	380.20	824.65	2,117.71	14,599.75	250.68	22,479.23



Standalone Statement of Changes in Equity

Notes

- 1 Refer to note 14
- 2 Refer to note 2.5
- 3 Supplementary information convenience translation (see note 2.2)
- 4 Refer note 26

Nature and purpose of reserves

a Securities premium

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 (the Act).

b Capital reserve

Capital reserve represent reserve on amalgamation

c Capital redemption reserve

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

d Special Economic Zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1) (ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new plant & machinery for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

e Share option outstanding account

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

f General reserve

General reserve represents appropriation of profits by the Company.

g Cash flow hedging reserve (CFHR)

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to standalone statement of profit and loss in the period in which the underlying hedged transaction occurs.

h Retained earnings

Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number:101248W/W-100022

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

CIN: U72900MH1992PLC069662

Glenn D'souza

Partner

Membership number: 112554

Place: Mumbai

Date: February 10, 2022

Neeraj Bharadwaj

Director

DIN 01314963

Place: New Delhi

Date: February 09, 2022

Kapil Modi

Director

DIN 07055408

Place: Mumbai

Date: February 09, 2022

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: February 09, 2022

Milind Sarwate

Independent Director

DIN 00109854

Place: Mumbai

Date: February 09, 2022

Vikash Kumar Jain

Chief Financial Officer

Place: Mumbai

Date: February 09, 2022

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 09, 2022



Standalone Statement of Cash Flows

₹ in millions, except share and per share data, unless otherwise stated

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 Supplementary information convenience translation (See Note 2.2) (in USD millions)
Cash flow from operating activities			
Profit before tax	7,261.34	6,312.41	97.68
Adjustments for:			
Depreciation and amortization expense	1,202.06	1,130.22	16.17
Employee stock option compensation cost	80.46	65.94	1.08
Interest income	(18.23)	(64.53)	(0.25)
Allowance for doubtful debts (net of write back)	60.68	105.04	0.82
Debts and advances written off	0.07	8.80	0.00
Dividend from investments	-	(0.58)	-
Dividend from Subsidiaries	-	(440.78)	-
Gains on redemption / sale of Investments	(29.48)	-	(0.40)
Profit on sale of property, plant and equipment (PPE) (net)	(5.75)	(4.64)	(0.08)
Exchange rate difference (net) - unrealised	(40.62)	10.83	(0.55)
Finance costs	217.95	281.08	2.93
Other income	-	(5.69)	-
Operating profit before working capital changes	8,728.48	7,398.11	117.42
Adjustments for:			
Trade receivables and other assets	1,356.86	(721.70)	18.26
Trade payables, other liabilities and provisions	1,037.72	1,201.22	13.96
Cash generated from operations	11,123.06	7,877.63	149.64
Direct taxes paid (net)	(1,176.84)	(781.88)	(15.83)
Net cash generated from operating activities	9,946.22	7,095.75	133.81
Cash flow from investing activities			
Purchase of PPE and intangible assets including CWIP and capital advances	(522.90)	(483.19)	(7.03)
Proceeds from sale of property, plant and equipment	6.83	10.64	0.09
Purchase of investments	(4,600.00)	300.58	(61.88)
Proceeds from sale / redemption of investments	3,372.97	(300.58)	45.38
Investment in Debentures	(2,230.05)	-	(30.00)
Investment in subsidiaries	(1.81)	(10.67)	(0.02)
Dividend from subsidiaries	-	440.78	-
Dividend from current investments	-	0.58	-
Interest received	18.36	64.01	0.25
Net cash (used in) / generated from investing activities	(3,956.60)	22.15	(53.23)
Cash flow from financing activities			
Proceeds from issue of shares / share application money (net)	2.53	3.93	0.03
Repurchase of restricted stock units (refer note 25 (iii) and 26)	(423.22)	-	(5.69)
Payment of lease liabilities	(413.26)	(348.99)	(5.56)
Interest paid	(3.16)	(67.37)	(0.04)
Dividend paid	(2,409.43)	(2,092.34)	(32.41)
Net cash used in from financing activities	(3,246.55)	(2,504.77)	(43.67)



Standalone Statement of Cash Flows

₹ in millions, except share and per share data, unless otherwise stated

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 Supplementary information convenience translation (See Note 2.2) (in USD millions)
Net increase in cash and cash equivalents	2,743.07	4,613.13	36.91
Cash and cash equivalents at the beginning of the year	5,272.52	670.22	70.93
Exchange difference on translation of foreign currency cash and cash equivalents	40.62	(10.83)	0.55
Cash and cash equivalents at the end of the year (Refer to note 13A)	8,056.21	5,272.52	108.38
Reconciliation of short term borrowings			
Opening balance	-	-	-
Borrowed during the year	-	2,750.00	-
Repaid during the year	-	(2,750.00)	-
Closing balance	-	-	-

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

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firms' registration number:101248W/W-100022

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

CIN: U72900MH1992PLC069662

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Partner

Membership number: 112554

Place: Mumbai

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Chief Financial Officer

Place: Mumbai

Date: February 09, 2022

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 09, 2022



Notes to the Standalone Financial Statements

1 Company Overview

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

2 Significant Accounting Policies

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 Indian Rupee (₹) 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.

Convenience translation

The accompanying financial statements have been prepared in Indian rupees, the national currency of India and the functional currency of the Company. Solely for the convenience of the reader, the financial statements as of December 31, 2021 have been translated into United States dollars at the closing rate USD 1 = ₹74.335 (FEDAI rate). No representation is made that the Indian rupee amounts have

been, could have been or could be converted into United States dollars at such a rate or any other rate, or at all.

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

Notes to the Standalone Financial Statements

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.

2.4 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.

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.



Notes to the Standalone Financial Statements

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.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116 ("the Standard"), effective annual reporting period beginning January 1, 2020 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (January 1, 2020). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this Standard has been recognised as an adjustment to the opening balance of retained earnings as on January 1, 2020.

In adopting Ind AS 116, the Company has made use of the following practical expedients available during transition -

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has treated the leases with lease term of less than 12 months as if they were "short term leases" and also not applied Ind AS 116 to the low value assets
- The Company has excluded the initial direct costs from measurement of right-of-use-assets (RoU) 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.

On adoption of Ind AS 116,

- a) the company has recognized, a right-of-use asset of ₹2,942.78 million and a corresponding lease liability of ₹2,558.35 million.
- b) the net carrying value of assets procured under the finance lease of ₹251.42 million (gross carrying value

and accumulated depreciation of ₹345.47 million and ₹94.05 million, respectively) have been reclassified from property, plant and equipment to RoU assets,

- c) prepaid rent on leasehold land, which were earlier classified under "Other Assets" have been reclassified to RoU assets by ₹518.55 million an amount of ₹0.17 million in other current financial liabilities has been adjusted against right-of-use asset.
- d) The principal portion of the lease payments have been disclosed under cashflow from financing activities.
- e) The weighted average incremental borrowing rate of 9.04% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.
- f) The adoption of the new standard has resulted in a reduction of ₹126.45 million in retained earnings, net of deferred tax asset of ₹26.05 million.

The Company evaluates each contract or arrangement, whether it qualifies as a lease as defined under 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.

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



Notes to the Standalone Financial Statements

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 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.

2.6 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



Notes to the Standalone Financial Statements

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.

2.9 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.



Notes to the Standalone Financial Statements

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 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 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.

2.13 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.



Notes to the Standalone Financial Statements

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, 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 Derivative financial instruments and hedge accounting

The Company enters into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. 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 forecasted 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 forecasted 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



Notes to the Standalone Financial Statements

immediately transferred to the profit or loss for the year and is grouped under exchange rate difference.

2.17 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 standard or amendments to the existing standards. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the

Companies Act, 2013. The amendments revise Division I, II and III of Schedule III. Key amendments relating to Division II, which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.

These amendments are applicable from financial year commencing on or after April 1, 2021. The Company is evaluating the effect of amendments on presentation and disclosures in the financial statements that will be effective January 1, 2022.



Notes to the Standalone Financial Statements

4 Right-of-use assets

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

	₹ million		
	Office premises ¹	Leasehold land ²	Total
Cost as at January 1, 2021	2,568.38	518.55	3,086.93
Additions	249.40	-	249.40
Cost as at December 31, 2021	2,817.78	518.55	3,336.33
Accumulated amortization as at January 1, 2021	258.84	6.20	265.04
Amortisation for the year	316.77	6.20	322.97
Accumulated amortization as at December 31, 2021	575.61	12.40	588.01
Net carrying amount as at December 31, 2021	2,242.17	506.15	2,748.32
Total (in USD millions) ³	30.16	6.81	36.97
Cost as at January 1, 2020	2,675.64	518.55	3,194.19
Remeasurement	(107.26)	-	(107.26)
Cost as at December 31, 2020	2,568.38	518.55	3,086.93
Accumulated amortization as at January 1, 2020	-	-	-
Amortisation for the year	277.06	6.20	283.26
Remeasurement	(18.22)	-	(18.22)
Accumulated amortization as at December 31, 2020	258.84	6.20	265.04
Net carrying amount as at December 31, 2020	2,309.54	512.35	2,821.89

The Company incurred ₹8.78 million & ₹0.74 million for the years ended December 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

Interest on lease liabilities is ₹214.79 million and ₹213.71 million for the years ended on December 31, 2021 and 2020, 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 (iv).

The weighted average incremental borrowing rate used for discounting is 9.07%.

Notes

- Balance reclassified from ROU of building
- Includes unamortized lease premium in respect of one parcel of leasehold land allotted to the Company at Nagpur for which the final lease agreement is being executed amounting to ₹ 77.15 million as at December 31, 2021 and ₹ 78.06 million as at December 31, 2020.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

5 Property, plant and equipment

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

₹ million

	Freehold Land	Buildings	Plant and Machinery ¹	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total (A)	Capital Work in Progress (B)	Total (A+B)
Cost as at January 1, 2021	0.15	4,236.06	2,994.87	1,097.13	18.57	2,014.17	38.77	10,399.72	111.03	10,510.75
Additions	-	1.51	381.46	13.08	-	26.86	6.63	429.54	120.66	550.20
Capitalised	-	-	-	-	-	-	-	-	(76.93)	(76.93)
(Disposals) / (Adjustments)	-	-	(200.63)	(48.79)	-	(17.89)	-	(267.31)	(24.93)	(292.24)
Cost as at December 31, 2021	0.15	4,237.57	3,175.70	1,061.42	18.57	2,023.14	45.40	10,561.95	129.83	10,691.78
Accumulated depreciation as at January 1, 2021	-	416.53	2,121.18	630.96	15.83	1,282.39	18.01	4,484.90	-	4,484.90
Depreciation for the year	-	97.53	386.97	76.60	1.67	256.26	18.05	837.08	-	837.08
(Disposals) / (Adjustments)	-	-	(200.11)	(48.42)	-	(17.70)	-	(266.23)	-	(266.23)
Accumulated depreciation as at December 31, 2021	-	514.06	2,308.04	659.14	17.50	1,520.95	36.06	5,055.75	-	5,055.75
Net carrying amount as at December 31, 2021	0.15	3,723.51	867.66	402.28	1.07	502.19	9.34	5,506.20	129.83	5,636.03
Total (in USD millions) ³	0.00	50.09	11.67	5.41	0.01	6.76	0.13	74.07	1.75	75.82
Cost as at December 31, 2019	0.15	3,919.41	2,780.17	1,068.88	18.57	1,832.87	4.97	9,625.02	863.32	10,488.34
Transition impact of Ind AS 116 ²	-	(345.47)	-	-	-	-	-	(345.47)	-	(345.47)
Restated cost as at January 1, 2020	0.15	3,573.94	2,780.17	1,068.88	18.57	1,832.87	4.97	9,279.55	863.32	10,142.87
Additions	-	662.12	302.21	49.74	-	177.97	33.80	1,225.84	221.11	1,446.95
Capitalised	-	-	-	-	-	-	-	-	(973.00)	(973.00)
(Disposals) / (Adjustments)	-	-	(87.51)	(21.49)	-	3.33	-	(105.67)	(0.40)	(106.07)
Cost as at December 31, 2020	0.15	4,236.06	2,994.87	1,097.13	18.57	2,014.17	38.77	10,399.72	111.03	10,510.75
Accumulated depreciation as at December 31, 2019	-	421.35	1,869.25	558.84	13.95	1,038.82	4.96	3,907.17	-	3,907.17
Transition impact of Ind AS 116 ²	-	(94.56)	-	-	-	-	-	(94.56)	-	(94.56)
Restated accumulated depreciation as at January 1, 2020	-	326.79	1,869.25	558.84	13.95	1,038.82	4.96	3,812.61	-	3,812.61
Depreciation for the year	-	89.74	341.67	74.30	1.88	250.98	13.05	771.62	-	771.62
(Disposals) / (Adjustments)	-	-	(89.74)	(2.18)	-	(7.41)	-	(99.33)	-	(99.33)
Accumulated depreciation as at December 31, 2020	-	416.53	2,121.18	630.96	15.83	1,282.39	18.01	4,484.90	-	4,484.90
Net carrying amount as at December 31, 2020	0.15	3,819.53	873.69	466.17	2.74	731.78	20.76	5,914.82	111.03	6,025.85

Note:

- Plant and machinery includes computer systems.
- Buildings includes office premises taken on finance lease of gross value of ₹345.47 million and net carrying value of ₹251.42 million which has been reclassified to right-of-use assets under IND AS 116.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

6 Intangible assets consist of the following:

₹ million

	Software licenses	Customer Contracts / Relations	Total
Cost as at January 1, 2021	668.51	21.02	689.53
Additions	34.00	-	34.00
Cost as at December 31, 2021	702.51	21.02	723.53
Accumulated amortization as at January 1, 2021	606.36	21.01	627.37
Amortisation for the year ¹	42.00	0.01	42.01
Accumulated amortization as at December 31, 2021	648.36	21.02	669.38
Net carrying amount as at December 31, 2021	54.15	-	54.15
Total (in USD millions) ²	0.73	-	0.73
Cost as at January 1, 2020	633.87	21.02	654.89
Additions	34.26	-	34.26
Disposals	0.37	-	0.37
Cost as at December 31, 2020	668.51	21.02	689.53
Accumulated amortization as at January 1, 2020	548.49	3.50	551.99
Amortisation for the year ¹	57.39	17.95	75.34
Disposals	0.48	(0.44)	0.04
Accumulated amortization as at December 31, 2020	606.36	21.01	627.37
Net carrying amount as at December 31, 2020	62.15	0.01	62.16

Notes

- Amortisation is included in standalone statement of profit and loss under the line item "Depreciation and amortisation expenses".
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

7 Investments

A Investments – Non-current

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ⁴
Investment in Subsidiary			
30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68	21.96
2,167,000 shares of GBP 1/- each fully paid up in Hexaware Technologies UK Limited	154.64	154.64	2.08
2,000,000 (500,000) shares of Singapore \$ 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12.48	12.48	0.17
3,618 shares of face value Euro 50/- each fully paid up in Hexaware Technologies GmbH., Germany	7.57	7.57	0.10
1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73	0.01
1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29.42	29.42	0.40
Entire Share Capital in Hexaware Technologies Limited Liability Company, Russia ¹	26.95	26.95	0.36
45,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	8.03	8.03	0.11
1,945,000 shares of HKD 1/- each in Hexaware Technologies Hong Kong Limited, Hong Kong	16.13	16.13	0.22
10,000 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden	7.72	7.72	0.10
35 (25) shares of USD 5,000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	12.77	9.06	0.17
10,292 Shares of INR 10/- each in Mobiquity Softech Private Limited	401.17	401.17	5.40
	2,310.29	2,306.58	31.08
Investment in Non Convertible Debenture ³	2,230.05	0.00	30.00
Investments designated at fair value through OCI			
Fully paid equity shares (unquoted)			
140,958 equity shares of ₹10/- each in Beta Wind Farm Pvt. Ltd. ²	2.68	4.58	0.04
Total	4,543.02	2,311.16	61.12

B Investments – Current

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ⁴
Investments carried at fair value through profit or loss			
Mutual fund units (quoted)	1,224.26	-	16.47
Total	1,224.26	-	16.47

Notes:

- 1 Net of provision for impairment in the value of investment of ₹121.65 million (December 31, 2020 ₹121.65 million)
- 2 On June 10, 2021, Company sold 100,000 equity shares of ₹10/- each held in Beta Wind Farm Pvt. Ltd. at consideration price of ₹1.9 million
- 3 On December 30, 2021, Company subscribed to Hexaware Technologies Inc. non convertible debentures carrying interest rate of 1.72% p.a. for tenure of 3 years.
- 4 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

8 Income taxes

A Income tax expense is allocated as follows:

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Income tax expense as per the Statement of Profit and Loss	1,388.42	930.64	18.68
Income tax included in Other Comprehensive Income on:			
a) Net change in fair value of cash flow hedges	79.79	(100.64)	1.07
b) Remeasurement of defined benefit plan	28.84	(48.08)	0.39
	1,497.05	781.92	20.14

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

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Profit before tax	7,261.34	6,312.41	97.68
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	2,537.38	2,205.81	34.13
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Income exempt from tax	(1,151.30)	(1,029.00)	(15.49)
Tax effect of non-deductible expenses	41.81	21.67	0.56
Tax charges/ (credit) pertaining to earlier years	-	(241.13)	0.00
Others	(39.47)	(26.71)	(0.53)
	1,388.42	930.64	18.68

Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In India, substantial part of operations is carried from units in Special Economic Zones notified by the Government which also benefit from the tax exemptions. These units are eligible for the deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits or gains for a further five years. 50 percent tax benefit is also available for a further period of five years subject to the unit meeting defined conditions of further investments. In respect of certain jurisdictions, where the income tax year is different from the accounting year, provision for current tax is made on the basis of income for the respective accounting year, which will be adjusted considering the total assessable income for the tax year.

The Companies subsidiary in US is undergoing the assessment proceedings for the FY 2017. Based on the current stage of the assessment proceedings on the related party transactions, the group intends to apply to the competent authorities of US and India under Mutual Agreement Procedure for the corresponding adjustment to taxable profits in India for any potential addition to income in US subsidiary. Accordingly, the Company has accounted the potential tax relief in FY 2020 of ₹241.13 million in the statement of profit and loss for the FY 2017 to 2019

Notes

1 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

C Components and movement in deferred tax assets and liabilities is as follows:

Significant components of net deferred tax assets and liabilities:

₹ million				
Components of deferred taxes:	January 1, 2021	Recognised in profit or loss	Recognised in OCI	Dec 31, 2021
Deferred tax assets				
Credit loss on trade receivables	58.60	27.60	-	86.20
Employee benefit obligations	232.68	12.82	(15.90)	229.60
Minimum alternate tax credit carry forward	1,522.27	(130.33)	-	1,391.94
Leases	50.26	22.24	-	72.50
Total	1,863.81	(67.67)	(15.90)	1,780.24
Deferred tax liabilities				
Property, plant and equipments	268.20	19.57	-	287.77
Unrealised gain on cash flow hedges	60.47	-	79.79	140.26
Total	328.67	19.57	79.79	428.03
Net deferred tax asset	1,535.14	(87.24)	(95.69)	1,352.21
Total (in USD millions) ²	20.65	(1.17)	(1.29)	18.19

Significant components of net deferred tax assets and liabilities:

₹ million				
Components of deferred taxes:	Recognised in profit or loss	Recognised in profit or loss	Recognised in OCI	Recognised in profit or loss
Deferred tax assets				
Credit loss on trade receivables	22.53	36.07	-	58.60
Employee benefit obligations	100.03	96.20	36.45	232.68
Minimum alternate tax credit carry forward	1,636.13	(113.86)	-	1,522.27
Leases ¹	26.05	24.21	-	50.26
Total	1,784.74	42.62	36.45	1,863.81
Deferred tax liabilities				
Property, plant and equipments	249.78	18.42	-	268.20
Unrealised gain on cash flow hedges	(40.17)	-	100.64	60.47
Total	209.61	18.42	100.64	328.67
Net deferred tax asset	1,575.13	24.20	(64.19)	1,535.14

- a) Deferred income tax assets have not been recognized on temporary differences amounting to approximately ₹644.79 million as at December 31, 2021 (₹583.94 million as at December 31, 2020) associated with investment in subsidiaries as it is probable that the temporary differences will not reverse in the foreseeable future
- b) There are unused tax credits as at December 31, 2021 aggregating ₹378.27 million (₹334.98 million as at December 31, 2020) for which no deferred tax asset is recognized as it is not considered probable that there will be future taxable profits available. If these tax losses are not utilized they would expire on various dates starting from FY 2031.

Notes

- 1 Opening balance of deferred tax on lease assets has been restated by ₹26.05 million to give impact of transition to Ind AS 116 (Refer to note 2.5).
- 2 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

9 Loans - Security Deposits

A Loans - Security Deposits - Non-current

	As at December 31, 2021	As at December 31, 2020	₹ million As at December 31, 2021 (in USD millions) ³
Security deposits for premises and others ¹	321.31	321.37	4.32
Total	321.31	321.37	4.32

B Loans - Security Deposits - Current

	As at December 31, 2021	As at December 31, 2020	₹ million As at December 31, 2021 (in USD millions) ³
Security deposits for premises and others	1.41	32.90	0.02
Total	1.41	32.90	0.02

10 Other financial assets

A Other financial assets – Non-current

	As at December 31, 2021	As at December 31, 2020	₹ million As at December 31, 2021 (in USD millions) ³
Interest accrued on bank deposits	0.57	0.37	0.01
Derivative assets	218.18	178.09	2.94
Restricted bank balances ²	8.21	6.86	0.11
Total	226.96	185.32	3.05

B Other financial assets – Current

	As at December 31, 2021	As at December 31, 2020	₹ million As at December 31, 2021 (in USD millions) ³
Interest accrued on bank deposits	0.30	0.63	0.00
Others receivables from related parties (Refer to note 24)	216.13	343.53	2.91
Derivative assets	557.48	265.79	7.50
Total	773.91	609.95	10.41

Notes

- 1 Excludes deposits aggregating ₹34.56 million as at December 31, 2021 (₹34.56 million as at December 31, 2020) provided as doubtful of recovery basis the expected credit loss model.
- 2 Restriction on account of bank deposits held as margin money.
- 3 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

11 Other assets

A Other assets – Non-current

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ¹
Capital advances	15.06	1.38	0.20
Cost to fulfill a contract	59.85	46.23	0.81
Prepaid expenses	5.81	9.56	0.08
Indirect taxes recoverable	44.26	125.39	0.60
Total	124.98	182.56	1.68

₹ million

B Other assets – Current

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ¹
Cost to fulfill a contract	26.24	58.17	0.35
Prepaid expenses	427.47	277.29	5.75
Indirect taxes recoverable	70.12	66.29	0.94
Employee advances	12.99	13.64	0.17
Contracts assets	387.71	349.58	5.22
Others	3.17	2.44	0.04
Total	927.70	767.41	12.48

₹ million

12 Trade receivables

A Trade receivables - Current (Unsecured)

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ¹
Considered good	7,532.69	8,474.07	101.33
Considered doubtful	212.14	151.63	2.85
	7,744.83	8,625.70	104.19
Less: Allowance for doubtful debts	(212.14)	(151.63)	(2.85)
Total	7,532.69	8,474.07	101.33

₹ million

The Company's credit period generally ranges from 30 - 60 days. The age wise break up of trade receivables, net of allowances is given below -

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ¹
Not Due	3,544.16	2,235.16	47.68
Due less than 180 days*	2,966.41	4,294.60	39.91
Due more than 180 days**	1,022.11	1,944.31	13.75
	7,532.69	8,474.07	101.33

₹ million

* Net of allowance for doubtful receivables ₹167.30 million (December 31, 2020: ₹81.27 million)

** Net of allowance for doubtful receivables ₹44.84 million (December 31, 2020: ₹70.36 million)

Notes:

¹ Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

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

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Balance at the beginning of the year	151.63	46.31	2.04
Expense for the year	286.93	122.75	3.86
Amounts recovered during the year	(226.40)	(17.71)	(3.05)
Translation exchange difference	(0.02)	0.28	(0.00)
Balance at the end of the year	212.14	151.63	2.85

13 Cash and bank balances

A Cash and cash equivalents

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Remittance in transit	3.73	96.58	0.05
In current accounts with banks	7,847.63	4,538.13	105.57
Bank deposit accounts with less than 3 months maturity	204.85	637.81	2.76
Unclaimed dividend accounts	115.49	147.27	1.55
Margin money with banks	8.21	6.86	0.11
	8,179.91	5,426.65	110.04
Less: Restricted bank balances	(123.70)	(154.13)	(1.66)
Total	8,056.21	5,272.52	108.38

B Other bank balances

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Restricted bank balances in respect of unclaimed dividend ¹	115.49	147.27	1.55
Total	115.49	147.27	1.55

Notes:

- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2021.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

14 Equity

14.1 Authorised capital

	As at December 31, 2021	As at December 31, 2020
525,000,000 Equity shares of ₹2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of ₹1,421 each	1,563.10	1,563.10

₹ million

14.2 Issued, subscribed and paid-up capital

	As at December 31, 2021	As at December 31, 2020
Equity shares of ₹2 each	603.23	600.66

₹ million

14.3 Reconciliation of number of shares

	As at December 31, 2021	As at December 31, 2020
Shares outstanding at the beginning of the year	300,330,455	298,384,321
Shares issued during the year on exercise of employee stock options	1,282,804	1,946,134
Shares outstanding at the end of the year	301,613,259	300,330,455

₹ million

14.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all liabilities, in proportion to their shareholding.

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

Name of the shareholder	Name of the shareholder	As at December 31, 2021	As at December 31, 2020
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	No. of shares held	288,068,041	-
	% of holding	95.51%	0.00%
HT Global IT Solutions Holdings Ltd.	No. of shares held	-	186,318,590
	% of holding	0.00%	62.04%
HT Global Holdings B.V.	No. of shares held	-	98,644,261
	% of holding	0.00%	32.85%

₹ million

14.6 The Company, on October 19, 2020, received the final approval of the stock exchanges (BSE and NSE) and effective November 09, 2020 the shares were de-listed from the stock exchanges.

14.7 During the year ended December 31, 2017, the Holding Company bought back 5,694,835 shares at ₹240 per share aggregating ₹1,366.76 million by utilisation of securities premium. The cost relating to buy-back was charged to other equity.

14.8 Shares reserved for issue under RSU's / options

The Company has granted employee restricted stock units (RSU's) / (options) under the ESOP 2008 and 2015 scheme. Each RSU / options entitles the holder to one equity share of ₹2 each. 2,661,298 RSU's / options were outstanding as on December 31, 2021 (5,025,699 as on December 31, 2020).

14.9 The dividend per share recognised as distribution to equity shareholders during the year ended December 31, 2021 was ₹8.00 per share (year ended December 31, 2020 ₹7.00 per share)



Notes to the Standalone Financial Statements

15 Other financial liabilities

A Other financial liabilities - Non-current

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Derivative liabilities	0.59	18.18	0.01
Others	2.36	2.30	0.03
Total	2.95	20.48	0.04

B Other financial liabilities - Current

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Unclaimed dividend ¹	115.49	147.27	1.55
Capital creditors			
Dues of micro enterprises and small enterprises (Refer Note - 30)	6.75	1.63	0.09
Dues of other than micro enterprises and small enterprises	40.52	72.52	0.55
Employee liabilities	1,029.87	958.95	13.85
Derivative liabilities	4.44	34.06	0.06
Total	1,197.07	1,214.43	16.10

16 Trade payables

	₹ million		
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Due of other than micro enterprises and small enterprises			
Trade payables	1,206.04	1,357.85	16.22
Accrued expenses	1,476.18	536.63	19.86
Total	2,682.22	1,894.48	36.08

Notes:

- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF).
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

17 Other liabilities

A Other liabilities - Non-current

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Unearned revenues	3.27	45.35	0.04
Total	3.27	45.35	0.04

₹ million

B Other liabilities - Current

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021 (in USD millions) ²
Unearned revenues	280.11	58.12	3.77
Statutory liabilities	468.79	246.12	6.31
Total	748.90	304.24	10.07

₹ million

18 Revenue

18.1 The disaggregated revenue with the customers by Geography is as under:

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ²
Geography			
Americas ¹	21,541.84	16,148.33	289.79
Europe	5,987.82	4,127.11	80.55
Asia Pacific	4,636.86	4,002.43	62.38
Total	32,166.52	24,277.87	432.72

₹ million

18.2 The disaggregated revenue with the customers by contract type:

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ²
Offshore	23,920.92	18,900.50	321.80
Onshore	8,045.37	5,377	108.23
Others	200.24	-	2.69
Total revenue from operations	32,166.52	24,277.87	432.72

₹ million

Notes:

- Substantially related to operations in United States of America.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

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

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Contracted price	32,792.66	24,897.16	441.15
Reductions towards variable consideration components (discounts, rebate)	(626.14)	(619.29)	(8.42)
Revenue recognised	32,166.52	24,277.87	432.72

18.4 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:

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Balance as at the beginning of the year	104.40	154.73	1.40
Cost capitalised during the year	48.90	14.52	0.66
Amortization during the year	(67.21)	(64.85)	(0.90)
Balance as at the end of the year	86.09	104.40	1.16

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

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Balance as at the beginning of the year	103.47	92.68	1.39
Revenue recognised during the year	(100.20)	(92.68)	(1.35)
Additions during the year	280.11	103.47	3.77
Balance as at the end of the year	283.38	103.47	3.81

18.6 Contract Assets are as follows:

During the years ended December 31, 2021 and 2020, ₹387.71 million and ₹349.58 million of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones

18.7 Revenue by nature

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Revenue from contracts with customers	32,117.42	24,153.35	432.06
Other operating income	49.10	124.52	0.66
	32,166.52	24,277.87	432.72

Notes:

1 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

18.8 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.

	₹ million		
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Within 1 year	5,160.30	2,835.50	69.42
More than 1 year	4,459.14	2,251.47	59.99

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.

19 Other income

	₹ million		
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Dividend from mutual funds	-	0.58	-
Dividend from subsidiaries	-	440.78	-
Gains / (losses) (net) on redemption / sale of Investments	29.48	-	0.40
Interest income	18.23	64.53	0.25
Profit / (loss) on sale of property, plant and equipment (net)	5.75	4.64	0.08
Miscellaneous income	9.59	9.78	0.13
Total	63.05	520.31	0.85

20 Employee benefits expense

	₹ million		
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Salary and allowances	15,388.81	12,532.06	207.02
Contribution to provident, other funds and benefits	1,052.63	796.59	14.16
Staff welfare expenses	369.95	346.41	4.98
Employee stock option compensation cost	80.46	65.94	1.08
Total	16,891.85	13,741.00	227.24

Notes:

¹ Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

21 Operating and other expenses

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Rent	8.78	0.74	0.12
Rates and taxes	22.48	25.93	0.30
Travelling and conveyance	322.10	471.08	4.33
Electricity charges	117.93	167.80	1.59
Communication expenses	252.22	223.36	3.39
Repairs and maintenance	698.70	617.86	9.40
Printing and stationery	19.65	21.38	0.26
Payment to auditors			
Audit fees	9.58	9.73	0.13
Tax audit fees	1.20	1.20	0.02
Certification work, taxation and other matters	3.05	2.20	0.04
Legal and professional fees	368.37	292.00	4.96
Advertisement and business promotion	171.26	120.86	2.30
Bank and other charges	14.46	11.38	0.19
Directors' sitting fees	1.20	1.14	0.02
Insurance charges	88.25	33.15	1.19
Sub contracting and other service charges	4,609.71	1,354.75	62.01
Debts and advances written off	0.07	8.80	0.00
Allowance for doubtful debts (net of write back)	60.68	105.04	0.82
Staff recruitment expenses	320.45	87.58	4.31
Loss on redemption of Investments	-	2.00	-
Miscellaneous expenses	182.57	164.84	2.46
Total	7,272.71	3,722.82	97.84

22 Finance costs

₹ million

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ¹
Interest on borrowings	-	59.17	-
Interest on lease liabilities	214.79	213.71	2.89
Others	3.16	8.21	0.04
Total	217.95	281.09	2.93

Notes:

1 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

23 Earnings per share (EPS)

	₹ million		
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ⁸
The components of basic and diluted EPS:			
Net profit after tax	5,872.92	5,381.77	79.00
Weighted average outstanding equity shares considered for basic EPS	301,253,340	299,250,005	301,253,340
Basic earnings per share	19.49	17.98	0.26
Weighted average outstanding equity shares considered for basic EPS	301,253,340	299,250,005	301,253,340
Add: Effect of dilutive issue of stock options	2,627,028	4,041,543	2,627,028
Weighted average outstanding equity shares considered for diluted EPS	303,880,368	303,291,548	303,880,368
Diluted earnings per share	19.33	17.74	0.26
Par value per share	2.00	2.00	2.00

24 Related party disclosures

A	Names of 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
	Parent Company of Hexaware Technologies Limited (control exists)	
	HT Global IT Solutions Holdings Limited, Mauritius (upto November 10, 2021)	Mauritius
	CA Magnum Holdings (w.e.f. November 11, 2021)	Mauritius
	Significant influence exists	
	HT Global Holdings B.V. (upto November 10, 2021)	Netherlands
	Subsidiaries	
	Hexaware Technologies Inc.	United States of America
	Hexaware Technologies UK Limited.	United Kingdom
	Hexaware Technologies Asia Pacific Pte. Limited.	Singapore
	Hexaware Technologies GmbH.	Germany
	Hexaware Technologies Canada Limited.	Canada
	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
	Guangzhou Hexaware Information Technologies Company Limited ⁽⁶⁾	China
	Hexaware Technologies LLC	Russia
	Hexaware Technologies Saudi LLC	Saudi Arabia
	Hexaware Technologies Romania SRL ⁽¹⁾	Romania
	Hexaware Technologies Hong Kong Limited	China
	Hexaware Technologies Nordic AB	Sweden
	Hexaware Information Technologies (Shanghai) Company Limited	China



Notes to the Standalone Financial Statements

A	Names of related parties	Country
	Mobiquity Inc. ⁽²⁾	USA
	Mobiquity Velocity Solutions, Inc ⁽³⁾	USA
	Mobiquity Velocity Cooperative UA ⁽³⁾	Netherland
	Mobiquity BV ⁽⁴⁾	Netherland
	Mobiquity Consulting BV (formerly known as Morgan Clark BV) ⁽⁴⁾	Netherland
	Mobiquity Softech Private Limited ⁽⁵⁾	India
	Hexaware Technologies South Africa (Pty) Limited ⁽¹⁾	South Africa
	Hexaware Technologies Belgium ⁽¹⁾	Belgium
	Associate	
	Experis Technology Solutions Pte Limited ⁽⁷⁾	Singapore
B	Key Management Personnel (KMP)	
	Executive Director and CEO	
	R. Srikrishna	
	Non-Executive Directors	
	Atul K Nishar (Upto November 10, 2021)	
	Kosmas Kalliarekos (Upto November 10, 2021)	
	Jimmy Mahtani (Upto November 10, 2021)	
	P R Chandrasekar (Upto December 31, 2021)	
	Meera Shankar (Retired on April 10, 2020)	
	Milind Shripad Sarwate (w.e.f. April 25, 2020)	
	Madhu Khatri (w.e.f. April 25, 2020 to November 10, 2021)	
	Rajeev Kumar Mehta (w.e.f. October 05, 2020 to November 10, 2021)	
	Neeraj Bharadwaj (w.e.f. November 10, 2021)	
	Sandra Joy Horbach (w.e.f. November 10, 2021)	
	Patrick Reid Mccarter (w.e.f. November 10, 2021)	
	Julius Michael Genachowski (w.e.f. November 10, 2021)	
	Lucia De Fatima Soares (w.e.f. November 10, 2021)	
	Kapil Modi (w.e.f. November 10, 2021)	

Notes:

- 1 Subsidiary of Hexaware Technologies UK Limited.
- 2 Subsidiary of Hexaware Technologies Inc.
- 3 Subsidiary of Mobiquity Inc.
- 4 Subsidiary of Mobiquity Velocity Cooperative UA
- 5 Subsidiary of Hexaware Technologies Limited
- 6 Closed on August 31, 2020
- 7 Associate of Hexaware Technologies Asia Pacific Pte Limited., ceased w.e.f., December 8, 2020.
- 8 Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

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

₹ million

Nature of transactions	Name of the Related party and Relationship	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ³
Investment made	Subsidiaries			
	Hexaware Information Technologies (Shanghai) Company Limited	-	7.32	-
	Hexaware Technologies Nordic AB	3.71	5.35	0.05
		3.71	12.67	0.05
Investment made in Non Convertible Debenture	Subsidiaries			
	Hexaware Technologies Inc.	2,249.93	-	30.27
		2,249.93	-	30.27
Impairment in value of Investment	Subsidiaries			
	Guangzhou Hexaware Information Technologies Company Limited	-	2.00	-
		-	2.00	-
Corporate Guarantee Given	Subsidiaries			
	Hexaware Technologies Saudi LLC	19.44	-	0.26
	Hexaware Technologies Nordic AB	-	36.54	-
		19.44	36.54	0.26
Software and consultancy income	Subsidiaries			
	Hexaware Technologies Inc.	571.25	2,122.96	7.68
	Hexaware Technologies UK Limited	3,880.23	2,792.16	52.20
	Others	1,101.46	1,018.87	14.82
		5,552.94	5,933.99	74.70
	Associate			
	Experis Technology Solutions Pte Limited	-	147.74	-
Software and development expenses -subcontracting charges	Subsidiaries			
	Hexaware Technologies Inc.	3,174.70	700.69	42.71
	Hexaware Technologies Canada Limited	120.37	-	1.62
	Mobiquity Inc	336.58	-	4.53
	Others	72.05	123.14	0.97
		3,703.70	823.83	49.82
Reimbursement of cost to	Subsidiaries			
	Hexaware Technologies UK Limited	-	3.70	-
	Hexaware Technologies Inc.	0.70	13.18	0.01
	Mobiquity Inc	5.66	-	0.08
	Others	0.29	1.74	0.00
		6.65	18.62	0.09
Recovery of cost from	Subsidiaries			
	Hexaware Technologies Inc.	213.18	359.34	2.87
	Hexaware Technologies UK Limited	98.92	174.21	1.33
	Mobiquity Inc.	(51.36)	116.36	(0.69)
	Others	10.74	54.18	0.14
		271.48	704.09	3.65
Corporate Guarantee Charges	Subsidiaries			
	Hexaware Technologies Inc.	12.19	15.66	0.16
		12.19	15.66	0.16



Notes to the Standalone Financial Statements

₹ million

Nature of transactions	Name of the Related party and Relationship	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ³
Interest on Non Convertible Debenture	Subsidiaries			
	Hexaware Technologies Inc.	0.53	-	0.01
		0.53	-	0.01
Remuneration to KMP's and Directors	Short term employee benefits	44.38	5.06	0.60
	Post employee benefits	0.15	0.14	0.00
	Share based payment	15.54	56.54	0.21
	Commission and other benefits to non-executive directors ¹	28.72	22.38	0.39
		88.79	84.12	1.19

Outstanding Balances

₹ million

Name of the Related party and Relationship	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021 (in USD millions) ³	
Investment in equity (Including share application money) (Refer note no 7A)	2,310.29	2,306.58	31.08	
	2,310.29	2,306.58	31.08	
Investment in Non Convertible Debentures	2,230.05	-	30.00	
	2,230.05	-	30.00	
Trade and other receivable	Subsidiaries			
	Hexaware Technologies Inc.	1,523.36	3,672.70	20.49
	Hexaware Technologies UK Limited	1,576.15	1,840.39	21.20
	Others	421.28	623.42	5.67
		3,520.79	6,136.51	47.36
Trade payable - towards services and reimbursement of cost	Subsidiaries			
	Hexaware Technologies Inc.	988.71	700.92	13.30
	Hexaware Technologies UK Limited	160.33	47.59	2.16
	Mobiquity Inc.	324.20	32.41	4.36
	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	-	53.40	-
	Others	30.96	32.71	0.42
		1,504.20	867.03	20.24
Trade receivable from Associate		-	12.53	-
Payable to / Provision for KMP's		90.78	19.83	1.22
		90.78	19.83	1.22
Corporate Guarantee ¹	Subsidiaries			
	Hexaware Technologies Saudi LLC	19.80	-	0.27
	Hexaware Technologies Nordic AB	37.17	36.54	0.50
	Hexaware Technologies Inc.	4,088.43	8,110.77	55.00
		4,145.40	8,147.31	55.77

Notes

- Provision is made for the commission for the year ended December 30, 2021, payment of which is subject to adequacy of profits to be determined annually.
- Disclosure in accordance with S. 186 of Companies Act, 2013 - Corporate Guarantee given to Hexaware Technologies Inc. towards loan taken from bank for the term of 3 years and in respect of deferred purchase consideration for the acquisition of Mobiquity Inc. for the term of 2 years.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

25 Financial Instruments

- (i) The carrying value / fair value of financial instruments ¹ (other than investment in associate) by categories as at December 31, 2021 is as follows:

₹ million

	Amortized cost ¹	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	8,056.21	-	-	-	8,056.21
Other bank balances	115.49	-	-	-	115.49
Investments in mutual fund units	-	1,224.26	-	-	1,224.26
Trade receivables	7,532.69	-	-	-	7,532.69
Unbilled receivables	1,731.86	-	-	-	1,731.86
Loans - security deposits	322.72	-	-	-	322.72
Other financial assets	225.21	-	-	775.66	1,000.87
Investment in Non Convertible Debenture	2,230.05	-	-	-	2,230.05
Investments in equity shares	-	-	2.68	-	2.68
Total	20,214.23	1,224.26	2.68	775.66	22,216.83
Total (in USD millions)	271.93	16.47	0.04	10.43	298.87
Trade payables	2,722.39	-	-	-	2,722.39
Lease liabilities	2,379.77	-	-	-	2,379.77
Other financial liabilities	1,092.42	102.57	-	5.03	1,200.02
Total	6,194.59	102.57	-	5.03	6,302.19
Total (in USD millions) ²	83.33	1.38	-	0.07	84.78

- (ii) The carrying value / fair value of financial instruments (other than investment in associate) by categories as at December 31, 2020 is as follows:

₹ million

	Amortized cost ¹	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	5,272.52	-	-	-	5,272.52
Other bank balances	147.27	-	-	-	147.27
Trade receivables	8,474.07	-	-	-	8,474.07
Unbilled receivables	1,344.98	-	-	-	1,344.98
Loans - security deposits	354.27	-	-	-	354.27
Other financial assets	351.39	-	-	443.88	795.27
Investments in equity shares	-	-	4.58	-	4.58
Total	15,944.50	-	4.58	443.88	16,392.96
Trade payables	1,900.71	-	-	-	1,900.71
Lease liabilities	2,328.85	-	-	-	2,328.85
Other financial liabilities	1,182.67	-	-	52.24	1,234.91
Total	5,412.23	-	-	52.24	5,464.47

Notes

- 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.
- Supplementary information convenience translation (See Note 2.2)



Notes to the Standalone Financial Statements

(iii) Fair value hierarchy

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

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

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

Level 3 inputs are unobservable inputs for the asset or liability

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

	₹ million			
	Level I	Level II	Level III	Total
Mutual fund units	1,224.26	-	-	1,224.26
Investments in equity shares	-	-	2.68	2.68
Derivative financial assets	-	775.66	-	775.66
	1,224.26	775.66	2.68	2,002.60
Derivative financial liabilities	-	5.03	-	5.03
Shared based liabilities	-	-	121.26	121.26
	-	5.03	121.26	126.29

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2020:

	₹ million			
	Level I	Level II	Level III	Total
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	443.88	-	443.88
	-	443.88	4.58	448.46
Derivative financial liabilities	-	52.24	-	52.24
Shared based liabilities	-	-	-	-
	-	52.24	-	52.24

Valuation Technique

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



Notes to the Standalone Financial Statements

(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

In year 2021, Americas contributed 66.97% (year 2020 - 66.51%) of the Company's total revenue. The Company continues to expand its global footprint to diversify geographic concentration though Americas remains largest market for the IT industry. The Company's exposure to the US regions is in line with the global industry practices. The Company will continue to invest in the region. There are a number of other growth factors in Americas such as favour for capitalism, highest per capita income, innovation driven culture and focus to retain high end work that allow us to identify and address the pockets of inefficiencies in the most optimum way.

50.23 % of the revenue of the year is generated from top 10 clients (previous year - 61.74%). 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 Company's transactions are done on credit, the Company is exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose the Company to credit risk and can impact profitability. Company's maximum credit exposure is in respect of trade receivables of ₹7,532.69 million and ₹8,474.07 million as at December 31, 2021 and December 31, 2020, respectively, unbilled receivables of ₹1,731.86 million and ₹1,344.98 million as at December 31, 2021 and December 31, 2020, respectively and contract assets of ₹387.71 million and ₹349.58 million as at December 31, 2021 and December 31, 2020, respectively.

The Company has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer to note 12 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 receivables) contribute 65.68 % of the total outstanding as at December 31, 2021 (75.00% as at December 31, 2020).

Cash and cash equivalents and mutual 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 offshore part of the revenue remains exposed to the risk of Rupee appreciation which is functional currency of the Company vis-a-vis 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 many of these contracts are at fixed rates, therefore 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 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.



Notes to the Standalone Financial Statements

The following table analyses foreign currency risk from financial instruments as at December 31, 2021 & December 31, 2020:

	₹ million		
	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2021			
USD	15,063.86	2,139.21	12,924.65
EUR	198.90	110.46	88.43
GBP	1,451.91	8.35	1,443.56
Others ¹	992.82	86.37	906.45

	₹ million		
	Net financial assets (A)	Net financial liabilities (B)	Net assets/(liabilities) (A-B)
As at December 31, 2020			
USD	9,260.78	1,455.72	7,805.06
EUR	413.66	-	413.66
GBP	1,645.85	0.35	1,645.50
Others ¹	769.61	33.40	736.21

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 ₹1,536.31 million and ₹1,060.04 million for the year ended December 31, 2021 and 2020, respectively.

The Company uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies. The Company had outstanding hedging instrument in the form of foreign currency forward contracts as at:

	₹ million	
	As at December 31, 2021	As at December 31, 2020
Currency hedge (sell contracts)		
USD	249.00	214.72
Euro	8.10	4.40
GBP	36.60	13.20

The weighted average forward rate for the hedges outstanding as at December 31, 2021 is ₹79.71, ₹94.29 and ₹107.94 (As at December 31, 2020 ₹78.08, ₹91.04 and ₹101.30) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

10% depreciation/appreciation of the respective foreign currencies with respect to closing exchange rate would result in the increase/ decrease in Group's other comprehensive income approximate by ₹279.11 million and ₹213.68 million for the year ended December 31, 2021 and December 31, 2020 respectively.

Notes

- 1 Others include currencies such as Singapore Dollars, Canadian Dollars, United Arab Emirates Dirhams, Philippine Pesos, Japanese Yen, Australian Dollars etc.



Notes to the Standalone Financial Statements

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

	₹ million	
	For the year ended	
	December 31, 2021	December 31, 2020
Balance at the beginning of the year	250.68	226.05
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(364.08)	(42.25)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	730.34	167.51
Less: Deferred tax	(79.79)	(100.64)
Balance at the end of the year	537.14	250.68

There were no material hedge ineffectiveness for the year ended December 31, 2021 and 2020.

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, 2021, the Company had total cash, bank balance and investments of ₹8,179.91 million (December 31, 2020: ₹5,426.65 million) which constitutes approximately 23% (December 31, 2020: 18%) of total assets. The Company does not have any debt.

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

As at December 31, 2021	₹ million				
	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	230.35	349.21	482.21	1,318.00	2,379.77
Trade and other payables	2,722.39	-	-	-	2,722.39
Foreign currency derivative liabilities	4.44	0.59	-	-	5.03
Others (Refer to note 15)	1,192.63	2.36	-	-	1,194.99
Total	4,149.82	352.16	482.21	1,318.00	6,302.19

As at December 31, 2020	₹ million				
	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	124.78	270.04	452.58	1,481.45	2,328.85
Trade and other payables	1,900.71	-	-	-	1,900.71
Foreign currency derivative liabilities	34.06	18.18	-	-	52.24
Others (Refer to note 15)	1,180.37	2.30	-	-	1,182.67
Total	3,239.92	290.52	452.58	1,481.45	5,464.47



Notes to the Standalone Financial Statements

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.

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.

26 Share Based Compensation

- a) The Nomination and Remuneration Committee ('Committee') of the Company administers the stock options plans viz. ESOP 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 ₹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

Particulars	ESOP - 2008		ESOP - 2015		Total	
	Options/ RSU's (nos.)	Weighted ex. Price per share (₹)	RSU's (nos.)	Weighted ex. Price per share (₹)	Options/ RSU's (nos.)	Weighted ex. Price per share (₹)
Outstanding at the beginning of the year	443,352 (1,845,716)	2.00 (2.00)	4,582,347 (5,978,723)	2.00 (2.00)	5,025,699 (7,824,439)	2.00 (2.00)
Granted during year	-	-	1,753,064 (1,322,141)	2.00 (2.00)	1,753,064 (1,322,141)	2.00 (2.00)
Exercised during the year	199,947 (526,315)	2.00 (2.00)	1,082,857 (1,419,819)	2.00 (2.00)	1,282,804 (1,946,134)	2.00 (2.00)
Lapsed during the year	164,444 (876,049)	2.00 (2.00)	2,670,217 (1,298,698)	2.00 (2.00)	2,834,661 (2,174,747)	2.00 (2.00)
Outstanding at the year end	78,961 (443,352)	2.00 (2.00)	2,582,337 (4,582,347)	2.00 (2.00)	2,661,298 (5,025,699)	2.00 (2.00)
Exercisable as at the year end	58,501 (183,844)	2.00 (2.00)	225,581 (807,960)	2.00 (2.00)	284,082 (991,804)	2.00 (2.00)

Previous year figures are given in bracket

- c) The weighted average share price of options exercised on the date of exercise was ₹475 per share and ₹336.45 per share for the year ended December 31, 2021 and December 31, 2020 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 2021		As at 31 December 2020	
	Options/ RSU's (Nos)	Life	Options/ RSU's (Nos)	Life
2.00	2,661,298	23	5,025,699	28
Total	2,661,298		5,025,699	



Notes to the Standalone Financial Statements

- e) The fair values of the RSU's granted in year 2021 and 2020 are determined using Black Scholes Option pricing model using following assumptions:

Particulars	Year 2021	Year 2020
Weighted Average fair value (₹)	458.73	353.50
Weighted Average share price (₹)	475.00	373.30
Dividend Yield (%)	1.68	1.70 - 2.16
Expected Life (years)	1.19 - 2.50	1.14 - 3.55
Risk free interest rate (%)	3.75 - 4.95	3.88 - 6.50
Volatility (%)	10.41 - 40.34	31.70 - 47.98

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

- f) During the 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 ₹763/- per RSU ('offer price'). Total of 1,908,249 RSUs were surrendered by the employees (included under lapsed in table (b) above). Total cash payout/payable by the Company is ₹1,456 million.

The modification has been recorded as follows:

- 1) Incremental cost recorded in the Statement of Profit and Loss of ₹657 million comprising of:
 - (i) Unamortized cost determined at the grant date fair value
 - (ii) Excess of offer price of ₹763/- over fair value on date of modification
- 2) Fair value on the modification date has been considered as cost of re-purchase of option and difference between this fair value and grant date fair value amounting to ₹365 million is recorded in the equity.

The fair value on the date of modification is based on an valuers report prepared taking into consideration recent transaction adjusted for estimate for control premium and marketability by reference to public available information.

27 Employee benefit plans

i) Provident Fund, Superannuation Fund and other similar funds

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. In respect of the Company's employees enrolled with the Hexaware Technologies Limited Employees Provident Fund Trust (the 'Trust'), the Company pays a part of the contributions to the Trust. The remaining portion of Company's contribution in respect of such employees and entire contribution in respect of other employees is contributed to the Government administered Employee Provident and Pension Fund.

The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the trust and the notified interest rate. The valuation of the liability, fund position and assumptions considered are as follows.

Particulars	₹ million	
	December 31, 2021	December 31, 2020
Present value of benefit obligation	5,054.87	5,066.73
Fair value of plan assets	4,953.14	4,874.86
Expected Investment Return	7.90%	8.02%
Remaining term of maturities of plan assets	8.18 years	6.54 years
Expected guaranteed interest rates	8.50%	8.50%

Certain employees of the Company are entitled to benefits under the superannuation plan, a defined contribution plan. The Company makes quarterly voluntary contributions under the superannuation plan to LIC based on a specified percentage of each covered employees salary and recognises such contributions as an expense when incurred and has no further obligation to the plan beyond such contributions.

During the year, the Company has recognized expenses towards contributions to Provident Fund and other funds and Superannuation Fund of ₹708.90 million (December 31, 2020: ₹543.28 million) and ₹55.30 million (December 31, 2020: ₹29.51 million), respectively.



Notes to the Standalone Financial Statements

ii) Gratuity Plan

The Company makes annual contribution to the Employee's Company Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan

Particulars	₹ million	
	December 31, 2021	December 31, 2020
Change in Defined Benefit Obligation		
Opening defined benefit obligation	1,222.94	942.37
Current service cost	242.92	213.91
Interest cost	58.85	57.63
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	(67.60)	105.02
- Actuarial loss/(gains) arising from change in demographical assumptions	-	-
- Actuarial loss/(gains) arising on account of experience changes	1.42	(23.61)
Benefits paid	(103.80)	(72.39)
Closing defined benefit obligation (A)	1,354.73	1,222.94
Change in the Fair Value of Assets		
Opening fair value of plan assets	587.04	599.04
Interest on plan assets	28.67	38.27
Remeasurement due to actual return on plan assets less interest on plan assets	2.26	9.61
Contribution by employer	10.45	12.51
Benefits paid	(103.80)	(72.39)
Closing fair value of plan assets (B)	524.62	587.04
Net liability as per actuarial valuation (A-B)	830.11	635.90
Expense charged to statement of profit and loss:		
Current service cost	242.92	213.91
Net Interest on defined benefit plan	30.18	19.36
Total included in Employment Benefit expenses	273.10	233.27
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- Changes in financial assumptions	(67.60)	105.02
- Changes in demographical assumptions	-	-
- Experience adjustments	1.42	(23.61)
- Actual return on plan assets less interest on plan assets	(2.26)	(9.61)
Total amount recognised in other comprehensive income	(68.44)	71.81
Actual return on plan assets	30.93	47.88
Category of assets - Insurer Managed Fund #	524.62	587.04

Since the investments are held in the form of deposit with the LIC, these are not volatile, the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.



Notes to the Standalone Financial Statements

The Company is expected to contribute ₹100 million to gratuity funds for the year ending 31 December, 2021

Financial assumptions at the valuation date	2021	2020
Discount rate *	5.95%	5.15%
Rate of increase in compensation levels of covered employees **	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.25%	7.25%

* The discount rate is primarily based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

** The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

Impact on defined benefit obligation	December 31, 2021	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(2.91%)	3.00%
Decrease in 50 bps	3.07%	(2.88%)

Impact on defined benefit obligation	December 31, 2020	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(3.12%)	3.20%
Decrease in 50 bps	3.29%	(3.06%)

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	Rupees Million
Year 1	194.87
Year 2	182.04
Year 3	176.73
Year 4	154.92
Year 5	147.52
Year 6	131.92
Year 7	143.41
Year 8	119.34
Year 9	102.87
Thereafter	691.19

The weighted average duration to the payment of these cash flows is 5.98 years.



Notes to the Standalone Financial Statements

28 Segments

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

29 Corporate Social Responsibility

- Gross amount required to be spent by the Company is ₹119.43 and ₹109.80 for the year ended December 31, 2021 and December 31, 2020, respectively
- Amount spent during the year on:

Particulars	For the year ended December 31, 2021		
	Amount Paid	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	119.43	-	119.43
Total amount spent during the year	119.43	-	119.43

₹ million

Particulars	For the year ended December 31, 2020		
	Amount Paid	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	109.94	-	109.94
Total amount spent during the year	109.94	-	109.94

₹ million

30 Disclosure pursuant to amount due to Micro, Small and Medium enterprises is as under:

	As at December 31, 2021	As at December 31, 2020
Amount due to vendor	46.92	7.86
Principal amount paid (includes unpaid beyond the appointed date)	-	-
Interest due and paid /payable for the year	-	-
Interest accrued and remaining unpaid	-	-

₹ million

Dues to Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

31 Contingent liabilities

	As at December 31, 2021	As at December 31, 2020
(i) Disputed Liabilities not provided for		
a) Income Tax	9.59	9.59
b) Other Litigations (Gross of tax)	73.95	-
(ii) Claims against the Company not acknowledged as debts (Gross of tax)	28.14	28.14

₹ million

(iii) The above does not include obligations resulting from customer claims, show case notices, regulatory inquiries, legal pronouncements and other judicial interpretations, having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

(iv) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) as at December 31, 2021 and 2020 is ₹395.74 million and ₹226.43 million, respectively.



Notes to the Standalone Financial Statements

32 Other updates

A The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

B COVID pandemic:

The Company has assessed the impact on the recoverability of the receivables (including unbilled) and other current and non-current assets including goodwill considering both internal and external information available till date. It has also assessed, the probability of occurrence of forecasted transactions in the hedging relations, credit risk of the counter party to the derivative contracts and banks. The Company, based on the analysis and assumptions used, believes that the carrying value of these assets are recoverable. Considering the fact that the global situation is evolving day by day with new facts and numbers, the economic impact of pandemic could be different from that estimated till date by the management. The management is continuously monitoring the material changes.

C The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

D Approval of the financial statements:

The Standalone financial statements were approved for issue by the Board of Directors on February 09, 2022.

For B S R & Co. LLP

Chartered Accountants

Firms' registration number:101248W/W-100022

Glenn D'souza

Partner

Membership number: 112554

Place: Mumbai

Date: February 10, 2022

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

CIN: U72900MH1992PLC069662

Neeraj Bharadwaj

Director

DIN 01314963

Place: New Delhi

Date: February 09, 2022

Kapil Modi

Director

DIN 07055408

Place: Mumbai

Date: February 09, 2022

R. Srikrishna

CEO & Executive Director

DIN 03160121

Place: New Jersey

Date: February 09, 2022

Milind Sarwate

Independent Director

DIN 00109854

Place: Mumbai

Date: February 09, 2022

Vikash Kumar Jain

Chief Financial Officer

Place: Mumbai

Date: February 09, 2022

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 09, 2022