

# 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 2023, 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 significant accounting policies and other explanatory information.

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 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 on the standalone financial statements.

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and 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 on the other information obtained prior to the date of this auditor's report, 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' Responsibilities 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 the 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 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 in preparation of standalone financial statements 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
- 2 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2023 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 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 December 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
  - b. 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 37A to the standalone financial statements.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37B to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37B to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company from the financial year commencing on or after 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company for the year ended 31 December 2023.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid 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 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) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

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

**Jaclyn Desouza**

**Partner**

Place: Mumbai

Membership No.: 124629

Date: 08 February 2024

ICAI UDIN: 24124629BKGUNA8486

## Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Hexaware Technologies Limited for the year ended 31 December 2023

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

Description of property	Gross carrying value (INR in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land at Nagpur	76	Maharashtra Airport Development Company Limited (MADC), Nagpur	No	November 2007	Lease deed is being executed.

- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided security or loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and provided guarantee to one company in respect of which the requisite information is as below. The Company has not made any investments and not provided any guarantee to firms, limited liability partnership or any other parties.

Particulars	Guarantees (INR in Millions)	Security	Loans	Advances in nature of loans
Aggregate amount during the year Subsidiaries* Joint ventures* Associates* Others	-	-	-	-
Balance outstanding as at balance sheet date Subsidiaries* Joint ventures* Associates* Others*	2829	-	-	-

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and guarantees provided during the year, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the company has not given any loans or advance in the nature of loan to any party during the year and there are no existing loan or advances in the nature of loan. Accordingly, provisions of clause 3(iii)(c) to 3(iii)(e) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 December 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

## Standalone

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our

examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**

Chartered Accountants

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

**Jaclyn Desouza**

**Partner**

Place: Mumbai

Membership No.: 124629

Date: 08 February 2024 ICAI UDIN: 24124629BKGUNA8486



## Annexure B

to the Independent Auditor's Report on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2023

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 Act

**(Referred to in paragraph 2(A)(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 financial statements of Hexaware Technologies Limited ("the Company") as of 31 December 2023 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 financial statements and such internal financial controls were operating effectively as at 31 December 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities 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 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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 financial statements.

### Meaning of Internal Financial Controls with Reference to Financial Statements

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

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **BSR & Co. LLP**

Chartered Accountants

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

**Jaclyn Desouza**

**Partner**

Membership No.: 124629

ICAI UDIN: 24124629BKGUNA8486

Place: Mumbai

Date: 08 February 2024

# Standalone Balance Sheet

(INR in millions, except share and per share data, unless otherwise stated)

	Note No.	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 Supplementary information convenience translation (See Note 2.2) (in USD millions)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	4,799	5,410	57.8
Capital work-in-progress	5	561	72	6.7
Right-of-use assets	4A	2,646	2,702	31.8
Goodwill	6	115	115	1.4
Other intangible assets	8	73	123	0.9
Financial assets:				
Investments	9A	6,497	5,206	78.1
Other financial assets	11A	435	398	5.2
Deferred tax assets (net)	10C	1,471	1,406	17.7
Income tax assets (net)		425	342	5.1
Other non-current assets	12A	287	261	3.4
<b>Total non-current assets</b>		<b>17,309</b>	<b>16,035</b>	<b>208.1</b>
<b>Current assets</b>				
Financial assets:				
Investments	9B	2,506	-	30.1
Trade receivables				
Billed	13	8,452	9,163	101.6
Unbilled		2,836	2,829	34.1
Cash and cash equivalents	14A	8,986	6,698	108.0
Other bank balances	14B	103	112	1.2
Other financial assets	11B	106	210	1.3
Other current assets	12B	1,369	1,380	16.5
<b>Total current assets</b>		<b>24,358</b>	<b>20,392</b>	<b>292.8</b>
<b>TOTAL ASSETS</b>		<b>41,667</b>	<b>36,427</b>	<b>500.9</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	607	604	7.3
Other equity		28,106	26,105	337.8
<b>Total equity</b>		<b>28,713</b>	<b>26,709</b>	<b>345.1</b>
<b>Non-current liabilities</b>				
Financial liabilities:				
Lease liabilities	4B	2,111	2,122	25.4
Other financial liabilities	16A	106	274	1.3
Provisions	19A	904	649	10.9
<b>Total non-current liabilities</b>		<b>3,121</b>	<b>3,045</b>	<b>37.6</b>
<b>Current liabilities</b>				
Financial liabilities:				
Lease liabilities	4B	294	290	3.5
Trade payables				
Dues of micro enterprises and small enterprises	33	1	24	^
Dues of other than micro enterprises and small enterprises	17	4,524	2,154	54.4
Other financial liabilities	16B	2,577	2,384	31.0
Other current liabilities	18	791	849	9.5
Provisions	19B	1,042	675	12.5
Income tax liabilities (net)		604	297	7.3
<b>Total current liabilities</b>		<b>9,833</b>	<b>6,673</b>	<b>118.2</b>
<b>Total liabilities</b>		<b>12,954</b>	<b>9,718</b>	<b>155.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,667</b>	<b>36,427</b>	<b>500.9</b>

^ value less than USD 0.1 million or INR 1 million

The accompanying notes 1 to 37 form an integral part of the Standalone financial statements.

As per our report of even date attached

For BSR &amp; Co. LLP

Chartered Accountants

Firm's registration number : 101248W/W-100022

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

CIN: U72900MH1992PLC069662

Jaclyn Desouza

Partner

Membership number: 124629

Place: Mumbai

Date: February 08, 2024

Neeraj Bharadwaj

Director

DIN 01314963

Place: New York

Date: February 08, 2024

Kapil Modi

Director

DIN 07055408

Place: New York

Date: February 08, 2024

R. Srikrishna

CEO &amp; Executive Director

DIN 03160121

Place: New York

Date: February 08, 2024

Vikash Kumar Jain

Chief Financial Officer

Place: Mumbai

Date: February 08, 2024

Gunjan Methi

Company Secretary

Place: Mumbai

Date: February 08, 2024

# Standalone Statement of Profit and Loss

(INR in millions, except share and per share data, unless otherwise stated)

	Note No.	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 Supplementary information convenience translation (See Note 2.2) (in USD millions)
<b>INCOME</b>				
Revenue from operations	20	49,849	41,013	599.1
Other income	21	343	1,684	4.1
<b>TOTAL INCOME</b>		<b>50,192</b>	<b>42,697</b>	<b>603.2</b>
<b>EXPENSES</b>				
Employee benefits expense	22	25,290	22,691	303.9
Finance costs	24	241	254	2.9
Depreciation and amortization expense	25	1,347	1,254	16.2
Other expenses	23	14,187	9,908	170.5
<b>TOTAL EXPENSES</b>		<b>41,065</b>	<b>34,107</b>	<b>493.5</b>
<b>PROFIT BEFORE ASHARE IN PROFIT OF ASSOCIATE AND TAX</b>		<b>9,127</b>	<b>8,590</b>	<b>109.7</b>
Share in profit of associate (Net of tax)		-	-	-
<b>PROFIT BEFORE TAX</b>		<b>9,127</b>	<b>8,590</b>	<b>109.7</b>
<b>Tax expense</b>				
Current tax	10A	1,957	1,529	23.5
Deferred tax charge / (credit)	10A	(100)	162	(1.2)
<b>Total tax expense</b>		<b>1,857</b>	<b>1,691</b>	<b>22.3</b>
<b>PROFIT FOR THE YEAR</b>		<b>7,270</b>	<b>6,899</b>	<b>87.4</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit plan	30	(47)	(57)	(0.6)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>	10A	9	12	0.1
<b>Items that will be reclassified subsequently to profit or loss</b>				
Net change in fair value of cash flow hedges		226	(994)	2.7
<b>Income tax relating to items that will be reclassified to profit or loss</b>	10A	(44)	203	(0.5)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>144</b>	<b>(836)</b>	<b>1.7</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>7,414</b>	<b>6,063</b>	<b>89.1</b>
<b>Earnings per equity share: Basic and diluted (INR)</b>				
Basic		23.98	22.87	0.29
Diluted		23.92	22.68	0.29

The accompanying notes 1 to 37 form an integral part of the Standalone financial statements.

As per our report of even date attached

**For BSR & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022

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

CIN: U72900MH1992PLC069662

**Jaclyn Desouza**

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Place: New York

Date: February 08, 2024

**Vikash Kumar Jain**

**Chief Financial Officer**

Place: Mumbai

Date: February 08, 2024

**Gunjan Methi**

**Company Secretary**

Place: Mumbai

Date: February 08, 2024

# Standalone Statement of Changes in Equity

(INR in millions, except share and per share data, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Balance as at January 01, 2023	Changes in equity share capital due to prior period errors	Restated balance as at January 01, 2023	Changes in equity share capital during the year <sup>1</sup>	Balance as at December 31, 2023
604	-	604	3	607
Balance as at January 01, 2022	Changes in equity share capital due to prior period errors	Restated balance as at January 01, 2022	Changes in equity share capital during the year <sup>1</sup>	Balance as at December 31, 2022
603	-	603	1	604

## B. OTHER EQUITY

	Share application money pending allotment	Reserves and surplus							Other comprehensive income	Total equity
		Securities premium	Capital reserve	Capital redemption reserve	SEZ Re-investment reserve	Share options outstanding account	General reserve	Retained earnings	Cashflow hedging reserve (CFHR)	
<b>Balance as at January 01, 2023</b>	^	4,761	4	11	722	674	2,118	18,069	(254)	26,105
Profit for the year	-	-	-	-	-	-	-	7,270	-	7,270
Other comprehensive income / (losses) (net of tax)	-	-	-	-	-	-	-	(38)	182	144
<b>Total comprehensive income</b>	^	-	-	-	-	-	-	7,232	182	7,414
Dividend	-	-	-	-	-	-	-	(5,308)	-	(5,308)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	1,249	-	-	(1,249)	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(75)	-	-	75	-	-
Received / transferred on exercise of stock options	-	401	-	-	-	(401)	-	-	-	-
Repurchase of restricted stock units <sup>2</sup>	-	-	-	-	-	-	-	(34)	-	(34)
Compensation related to employee share based payments	-	-	-	-	-	(71)	-	-	-	(71)
<b>Balance as at December 31, 2023</b>	^	5,162	4	11	1,896	202	2,118	18,785	(72)	28,106
<b>Balance as at December 31, 2023 (in USD millions)<sup>4</sup></b>	^	62.0	^	0.1	22.8	2.4	25.5	225.7	(0.9)	337.8
<b>Balance as at January 01, 2022</b>	^	4,587	4	11	504	319	2,118	18,070	537	26,150
Profit for the year	-	-	-	-	-	-	-	6,899	-	6,899
Other comprehensive income / (losses) (net of tax)	-	-	-	-	-	-	-	(45)	(791)	(836)
<b>Total comprehensive income</b>	^	-	-	-	-	-	-	6,854	(791)	6,063
Dividend	-	-	-	-	-	-	-	(6,637)	-	(6,637)
Received / transferred on exercise of stock options	-	174	-	-	-	(174)	-	-	-	-
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	262	-	-	(262)	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(44)	-	-	44	-	-
Repurchase of restricted stock units <sup>2</sup>	-	-	-	-	-	210	-	-	-	210
Compensation related to employee share based payments	-	-	-	-	-	319	-	-	-	319
<b>Balance as at December 31, 2022</b>	^	4,761	4	11	722	674	2,118	18,069	(254)	26,105

### Notes:

1. Refer to note 15
2. Refer to note 29
3. ^ value less than USD 0.1 millions or INR 1 million
4. Supplementray information convenience translation (see note 2.2)

# Standalone Statement of Changes in Equity

## 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 utilized 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 37 form an integral part of the Standalone financial statements.

As per our report of even date attached

**For BSR & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022

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

CIN: U72900MH1992PLC069662

**Jaclyn Desouza**

**Partner**

Membership number: 124629

Place: Mumbai

Date: February 08, 2024

**Neeraj Bharadwaj**

**Director**

DIN 01314963

Place: New York

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**Kapil Modi**

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**R. Srikrishna**

**CEO & Executive Director**

DIN 03160121

Place: New York

Date: February 08, 2024

**Vikash Kumar Jain**

**Chief Financial Officer**

Place: Mumbai

Date: February 08, 2024

**Gunjan Methi**

**Company Secretary**

Place: Mumbai

Date: February 08, 2024

# Standalone Statement of Cash Flows

(INR in millions, except share and per share data, unless otherwise stated)

For the year ended  
December 31, 2023  
Supplementary  
information convenience  
translation (See Note 2.2)  
(in USD millions)

	For the year ended December 31, 2023	For the year ended December 31, 2022	
<b>Cash flow from operating activities</b>			
Profit before tax	9,127	8,590	109.7
<b>Adjustments for:</b>			
Depreciation and amortization expense	1,347	1,254	16.2
Employee stock option compensation cost	108	262	1.3
Interest income	(83)	(61)	(1.0)
Life time expected credit loss	112	(37)	1.3
Net gain on investments carried at fair value through profit or loss	(45)	(280)	(0.5)
Gains on redemption / sale of Investments	(39)	(30)	(0.5)
Profit on sale of property, plant and equipment (PPE) (net)	(6)	(3)	(0.1)
Exchange rate difference (net) - unrealized	(20)	18	(0.2)
Finance costs	241	254	2.9
Provision for impairment in the value of investment (Refer to note - 9)	-	27	-
<b>Operating profit before working capital changes</b>	<b>10,742</b>	<b>9,994</b>	<b>129.1</b>
<b>Adjustments for:</b>			
Trade receivables and other assets	378	(2,538)	4.6
Trade payables, other liabilities and provisions	3,162	(56)	38.0
<b>Cash generated from operations</b>	<b>14,282</b>	<b>7,400</b>	<b>171.7</b>
Direct taxes paid (net)	(1,733)	(1,601)	(20.8)
<b>Net cash generated from operating activities</b>	<b>12,549</b>	<b>5,799</b>	<b>150.9</b>
<b>Cash flow from investing activities</b>			
Purchase of PPE and intangible assets including CWIP and capital advances	(522)	(831)	(6.3)
Proceeds from sale of property, plant and equipment	9	3	0.1
Purchase of investments	(6,201)	(7,800)	(74.5)
Proceeds from sale / redemption of investments	3,778	9,054	45.4
Investment in debentures	(1,246)	(385)	(15.0)
Investment in subsidiaries	(24)	(24)	(0.3)
Payment for acquisition of business	-	(57)	-
Interest received	80	62	1.0
<b>Net cash (used in) / generated from investing activities</b>	<b>(4,126)</b>	<b>22</b>	<b>(49.6)</b>

# Standalone Statement of Cash Flows

(INR in millions, except share and per share data, unless otherwise stated)

For the year ended  
December 31, 2023  
Supplementary  
information convenience  
translation (See Note 2.2)  
(in USD millions)

	For the year ended December 31, 2023	For the year ended December 31, 2022	
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares / share application money (net)	3	1	^
Repurchase of restricted stock units	(190)	-	(2.3)
Payment of lease liabilities (Refer to note 4B)	(579)	(491)	(7.0)
Interest paid	(61)	(34)	(0.7)
Dividend paid	(5,308)	(6,637)	(63.8)
<b>Net cash used in from financing activities</b>	<b>(6,135)</b>	<b>(7,161)</b>	<b>(73.8)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,288</b>	<b>(1,340)</b>	<b>27.5</b>
Cash and cash equivalents at the beginning of the year	6,698	8,056	80.5
Exchange difference on translation of foreign currency cash and cash equivalents	^	(18)	^
<b>Cash and cash equivalents at the end of the year (Refer to note 14A)</b>	<b>8,986</b>	<b>6,698</b>	<b>108.0</b>

Note: ^ value less than USD 0.1 million or INR 1 million

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

The accompanying notes 1 to 37 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

Firm's registration number : 101248W/W-100022

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

CIN: U72900MH1992PLC069662

**Jaclyn Desouza**

**Partner**

Membership number: 124629

Place: Mumbai

Date: February 08, 2024

**Neeraj Bharadwaj**

**Director**

DIN 01314963

Place: New York

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**Kapil Modi**

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**R. Srikrishna**

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DIN 03160121

Place: New York

Date: February 08, 2024

**Vikash Kumar Jain**

**Chief Financial Officer**

Place: Mumbai

Date: February 08, 2024

**Gunjan Methi**

**Company Secretary**

Place: Mumbai

Date: February 08, 2024



# Notes Forming Part of Standalone Financial Statements

## 1 Company Overview

Hexaware Technologies Limited ("Hexaware" or "the Holding Company") is a public limited company incorporated in India. The Holding Company, along with its subsidiaries ("the Group"), is actively involved in information technology consulting, software development, business process services, data and AI, cloud, Digital IT operations, and enterprise platforms. Hexaware delivers a range of services to clients across diverse industries, including travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, retail, consumers, telecom, and utilities. The broad spectrum of service offerings encompasses application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process, digital assurance, testing, Generative AI, and sustainability.

## 2 Significant Accounting Policies

### 2.1 Statement of compliance

The standalone 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 as amended from time to time.

### 2.2 Basis of Preparation

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortized cost at the end of each reporting period as explained in the accounting policies below.

These standalone financial statements have been prepared in Indian Rupee (INR), 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 realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of twelve months.

### Convenience translation

The accompanying Standalone financial statements have been prepared in Indian rupees, the functional currency of the Company. Solely for the convenience of the reader, the Standalone financial statements as of December 31, 2023 have been translated into United States dollars at the closing rate USD 1 = INR 83.21 (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 standalone 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 recognized 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

## Notes Forming Part of Standalone Financial Statements

standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized 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 capitalization. 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 unrecognized 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 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### 2.3.5 Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

### 2.3.6 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in

## Notes Forming Part of Standalone Financial Statements

assumptions about these factors could affect the reported fair value of financial instruments.

### 2.4 Revenue Recognition

Revenue is recognized 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 recognized when the related services are performed.

In case of fixed price contracts, revenue is recognized using percentage of completion method. The Company uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

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

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

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

price is revised for existing obligation, a cumulative adjustment is accounted for.

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

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

### 2.5 Leases

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

#### Company as a lessee

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

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

## Notes Forming Part of Standalone Financial Statements

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

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

as an adjustment to the RoU asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes 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 recognizes 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 recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

- The Company has applied single discount rate to a portfolio of lease with reasonably similar characteristics.
- The Company has excluded initial direct costs from measurement of RoU assets at the date of transition.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
- The Company has 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.

## Notes Forming Part of Standalone Financial Statements

### 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

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 capitalized 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 recognized 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 recognized as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long-term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss

in respect of other long-term benefit plans in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized 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 recognized as employee benefits expense in the profit or loss.

#### b) Short-term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### c) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

### 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 recognized over

## Notes Forming Part of Standalone Financial Statements

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 recognized 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 current tax and deferred tax. Current and deferred tax are recognized in net income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

Advance taxes and provisions for current income taxes 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.

Deferred taxes are recognized 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 recognized 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 utilized.

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

Deferred tax assets and liabilities are measured using 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 recognized 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 realized.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### 2.11 Property, plant and equipment (PPE)

PPE are stated at cost comprising purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

## Notes Forming Part of 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 amortized 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 derecognized 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 recognized in profit or loss.

### 2.12 Intangible assets and amortization

Intangible assets with finite useful lives that are acquired are initially recognized 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 amortization and impairment loss, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. Following table summarizes the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years
Customer contracts / relations	5-7 years

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

An intangible asset is derecognized 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 recognized in profit or loss.

### 2.13 Impairment

#### a) Financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset in form of trade receivables and unbilled receivables is impaired. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables and unbilled receivables. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Company's historically observed default rates over the expected life of trade receivables and unbilled receivables. ECL impairment loss allowance or reversal is recognized during the period as expense or income respectively in the statement of profit and loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months 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 yearly 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, Intangible and Right-of-use assets

At the end of each reporting year, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the

## Notes Forming Part of Standalone Financial Statements

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 year is reversed if there has been a change in the estimate of recoverable amount.

In case of reversal of impairment loss, the increased carrying amount shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 2.14 Provisions and contingent liability

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

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

### 2.15 Non derivative financial instruments

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

#### A Financial assets and financial liabilities

##### (i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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 whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortized 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 recognized in statement of profit and loss.

##### (iv) Investment in subsidiaries

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



## Notes Forming Part of Standalone Financial Statements

### (v) Cash and cash equivalents

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

### (vi) Financial liabilities

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

## B Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

## C Equity instruments

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

## 2.16 Derivative financial instruments and hedge accounting

### Instruments in hedging relationship

The Company designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. The Company uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries. The hedge instruments are designated and documented as hedges at the inception of the contract.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognized in the other comprehensive income and accumulated under the heading cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and 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 recognized in hedging reserve at that time remains in equity and is recognized 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 recognized in hedging reserve is immediately transferred to the profit or loss for the year and is grouped under exchange rate difference.

### Instruments not in hedging relationship

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognized in the statement of profit and loss.

## 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

## Notes Forming Part of Standalone Financial Statements

average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

### 2.18 Dividend and interest income

Dividend income is recorded when the right to receive payment is established. Interest income is recognized using the effective interest method.

### 2.19 Business Combination

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

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

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

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

### 3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 4. Right-of-use assets and lease liabilities

#### A Right-of-use assets

	Office premises	Leasehold land	Total
<b>Cost as at January 01, 2023</b>	<b>3,067</b>	<b>546</b>	<b>3,613</b>
Additions	391	1	392
Deletion	(10)	-	(10)
<b>Cost as at December 31, 2023</b>	<b>3,448</b>	<b>547</b>	<b>3,995</b>
<b>Accumulated amortization as at January 01, 2023</b>	<b>893</b>	<b>18</b>	<b>911</b>
Amortization for the year	441	7	448
Remeasurement / adjustment	(10)	-	(10)
<b>Accumulated amortization as at December 31, 2023</b>	<b>1,324</b>	<b>25</b>	<b>1,349</b>
<b>Net carrying amount as at December 31, 2023</b>	<b>2,124</b>	<b>522</b>	<b>2,646</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>25.5</b>	<b>6.3</b>	<b>31.8</b>
<b>Cost as at January 01, 2022</b>	<b>2,817</b>	<b>519</b>	<b>3,336</b>
Additions	229	27	256
Remeasurement	21	-	21
<b>Cost as at December 31, 2022</b>	<b>3,067</b>	<b>546</b>	<b>3,613</b>
<b>Accumulated amortization as at January 01, 2022</b>	<b>576</b>	<b>12</b>	<b>588</b>
Amortization for the year	344	6	350
Remeasurement	(27)	-	(27)
<b>Accumulated amortization as at December 31, 2022</b>	<b>893</b>	<b>18</b>	<b>911</b>
<b>Net carrying amount as at December 31, 2022</b>	<b>2,174</b>	<b>528</b>	<b>2,702</b>

The Company incurred INR 17 millions & INR 14 millions for the years ended December 31, 2023 and 2022 respectively, towards expenses relating to short-term leases.

The Company incurred INR 35 millions & INR 22 millions for the years ended December 31, 2023 and 2022 respectively, towards expenses relating to leases of low-value assets.

Interest on lease liabilities is INR 180 millions and INR 220 millions for the years ended December 31, 2023 and 2022, 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 year are disclosed under financing activities in the statement of cash flows.

#### Details of title deeds of immovable properties not held in name of the Company:

Year Ended	Relevant line item in the Balance Sheet	Net carrying value	Title deeds in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
December 31, 2023	RoU asset -	75 million	Maharashtra Airport			
December 31, 2022	Leasehold land	76 million	Development Company Limited (MADC)	No	13 November, 2007	Lease deed is being executed

#### Notes:

- ^ value less than USD 0.1 million or INR 1 million
- Supplementary information convenience translation (See Note 2.2)

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## B Lease liabilities

	Opening Balance	Payment of lease liabilities	Net additions to lease liability (non-cash)	Closing Balance
December 31, 2023	2,412	(579)	572	2,405
December 31, 2022	2,379	(491)	524	2,412

The maturity analysis of lease liabilities is covered under Note 28 - Financial instruments.

## 5. Property, plant and equipment

	Freehold Land	Buildings	Plant and Machinery <sup>1</sup>	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total (A)	Capital Work in Progress (B)	Total (A+B)
<b>Cost as at January 01, 2023</b>	^	<b>4,246</b>	<b>3,729</b>	<b>1,102</b>	<b>30</b>	<b>2,096</b>	<b>46</b>	<b>11,249</b>	<b>72</b>	<b>11,321</b>
Additions	-	6	144	15	-	75	-	240	551	791
(Disposals) / (Adjustments)	-	-	(191)	(4)	-	(15)	-	(210)	(62)	(272)
<b>Cost as at December 31, 2023</b>	^	<b>4,252</b>	<b>3,682</b>	<b>1,113</b>	<b>30</b>	<b>2,156</b>	<b>46</b>	<b>11,279</b>	<b>561</b>	<b>11,840</b>
<b>Accumulated depreciation as at January 01, 2023</b>	-	<b>609</b>	<b>2,725</b>	<b>715</b>	<b>20</b>	<b>1,725</b>	<b>45</b>	<b>5,839</b>	-	<b>5,839</b>
Depreciation for the year	-	113	446	83	3	203	-	848	-	848
(Disposals) / (Adjustments)	-	-	(188)	(4)	-	(15)	-	(207)	-	(207)
<b>Accumulated depreciation as at December 31, 2023</b>	-	<b>722</b>	<b>2,983</b>	<b>794</b>	<b>23</b>	<b>1,913</b>	<b>45</b>	<b>6,480</b>	-	<b>6,480</b>
<b>Net carrying amount as at December 31, 2023</b>	^	<b>3,530</b>	<b>699</b>	<b>319</b>	<b>7</b>	<b>243</b>	<b>1</b>	<b>4,799</b>	<b>561</b>	<b>5,360</b>
<b>Total (in USD millions)<sup>2</sup></b>	^	<b>42.4</b>	<b>8.4</b>	<b>3.8</b>	<b>0.1</b>	<b>2.9</b>	^	<b>57.8</b>	<b>6.7</b>	<b>64.4</b>
<b>Cost as at January 01, 2022</b>	^	<b>4,238</b>	<b>3,175</b>	<b>1,061</b>	<b>19</b>	<b>2,023</b>	<b>46</b>	<b>10,562</b>	<b>130</b>	<b>10,692</b>
Additions	-	8	587	59	11	78	-	743	71	814
(Disposals) / (Adjustments)	-	-	(33)	(18)	-	(5)	-	(56)	(129)	(185)
<b>Cost as at December 31, 2022</b>	^	<b>4,246</b>	<b>3,729</b>	<b>1,102</b>	<b>30</b>	<b>2,096</b>	<b>46</b>	<b>11,249</b>	<b>72</b>	<b>11,321</b>
<b>Accumulated depreciation as at January 01, 2022</b>	-	<b>515</b>	<b>2,308</b>	<b>660</b>	<b>18</b>	<b>1,520</b>	<b>36</b>	<b>5,057</b>	-	<b>5,057</b>
Depreciation for the year	-	94	450	73	2	210	9	838	-	838
(Disposals) / (Adjustments)	-	-	(33)	(18)	-	(5)	-	(56)	-	(56)
<b>Accumulated depreciation as at December 31, 2022</b>	-	<b>609</b>	<b>2,725</b>	<b>715</b>	<b>20</b>	<b>1,725</b>	<b>45</b>	<b>5,839</b>	-	<b>5,839</b>
<b>Net carrying amount as at December 31, 2022</b>	^	<b>3,637</b>	<b>1,004</b>	<b>387</b>	<b>10</b>	<b>371</b>	<b>1</b>	<b>5,410</b>	<b>72</b>	<b>5,482</b>

On transition to IND AS, the Company has elected to continue with the carrying value of property, plant and equipment recognized as at January 01, 2016 measured as per previous GAAP and use that carrying value as deemed cost of property, plant and equipment.

### Notes:

- Plant and machinery includes computer systems.
- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## Ageing for Capital work-in-progress

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
As at December 31, 2023	551	10	-	-	<b>561</b>
As at December 31, 2022	23	4	37	8	<b>72</b>

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## 6. Goodwill

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
<b>Opening balance</b>	<b>115</b>	-	<b>1.4</b>
Addition during the year (Refer to Note 7 - Business Combination)	-	115	-
<b>Closing balance</b>	<b>115</b>	<b>115</b>	<b>1.4</b>

## 7. Business Combination

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

The Company has acquired customer/ business contracts entered by AECIO IT Solutions India Private Limited and IMS Health Analytics Services Pvt Ltd (exclusive service-based consulting organization serving the Life Science and Healthcare Industries) with it's customer. The rationale of the acquisition is to capitalize on the available cross-selling opportunities. The acquisition was consummated on January 12, 2022 for a total consideration of INR 245 Million.

Description	Purchase price allocated
Fair value of customer contracts	46
Fair value of customer relationship	84
<b>Total</b>	<b>130</b>
Goodwill	115
<b>Total purchase price</b>	<b>245</b>

The fair value of the deferred consideration is estimated by applying the discounted cash flow approach considering a weighted average discount rate of 12.2%. The undiscounted fair value of deferred consideration is INR 245 million as at the date of acquisition. The discounted fair value of deferred consideration of INR 184 million is recorded as part of purchase price allocation.

The assumptions used for such valuations are in line with past trends and current contracts / arrangements.

The pro-forma effects of this business combination was not material on the Company's results.

### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 8. Intangible assets

	Software licenses	Customer Contracts / Relations	Total
<b>Cost as at January 01, 2023</b>	707	143	850
Additions	1	-	1
Disposals/Adjustments	(90)	-	(90)
<b>Cost as at December 31, 2023</b>	<b>618</b>	<b>143</b>	<b>761</b>
<b>Accumulated amortization as at January 01, 2023</b>	680	47	727
Amortization for the year <sup>1</sup>	17	34	51
Disposals/Adjustment	(90)	-	(90)
<b>Accumulated amortization as at December 31, 2023</b>	<b>607</b>	<b>81</b>	<b>688</b>
<b>Net carrying amount as at December 31, 2023</b>	<b>11</b>	<b>62</b>	<b>73</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>0.1</b>	<b>0.7</b>	<b>0.9</b>
<b>Cost as at January 01, 2022</b>	702	21	723
Additions (Refer to Note 7)	5	130	135
Disposals	-	(8)	(8)
<b>Cost as at December 31, 2022</b>	<b>707</b>	<b>143</b>	<b>850</b>
<b>Accumulated amortization as at January 01, 2022</b>	648	21	669
Amortization for the year <sup>1</sup>	32	34	66
Disposals	-	(8)	(8)
<b>Accumulated amortization as at December 31, 2022</b>	<b>680</b>	<b>47</b>	<b>727</b>
<b>Net carrying amount as at December 31, 2022</b>	<b>27</b>	<b>96</b>	<b>123</b>

On transition to IND AS, the Company has elected to continue with the carrying value of intangible assets recognized as at January 01, 2016 measured as per previous GAAP and use that carrying value as deemed cost of intangible assets.

**Notes:**

1. Amortization is included under the line item "Depreciation and amortization expenses" in the standalone statement of profit and loss.
2. Supplementary information convenience translation (See Note 2)
3. ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 9. Investments

### A Investments – Non-current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>4</sup>
<b>Investment in Subsidiary at cost (unquoted)</b>			
30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,633	1,633	19.6
2,167,000 shares of GBP 1/- each fully paid up in Hexaware Technologies UK Limited	155	155	1.9
2,000,000 shares of Singapore USD 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12	12	0.1
3,618 shares of face value Euro 50/- each fully paid up in Hexaware Technologies GmbH., Germany	8	8	0.1
1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	1	1	^
1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29	29	0.3
Entire Share Capital in Hexaware Technologies Limited Liability Company, Russia <sup>1</sup>	-	-	-
45,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	8	8	0.1
1,945,000 shares of HKD 1/- each in Hexaware Technologies Hong Kong Limited, Hong Kong	16	16	0.2
56,000 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden <sup>6</sup>	56	32	0.7
35 shares of USD 5000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	13	13	0.2
10,292 Shares of INR 10/- each in Mobiquity Softech Private Limited	401	401	4.8
	<b>2,332</b>	<b>2,308</b>	<b>28.0</b>
<b>Investment in Non Convertible Debenture at amortized cost <sup>2 &amp; 3</sup></b>	4,161	2,895	50.0
<b>Investments in Other Entities - Designated at fair value through OCI</b>			
Fully paid equity shares (unquoted)			
197,958 equity shares of INR 10/- each in Beta Wind Farm Pvt. Ltd. <sup>5</sup>	4	3	^
<b>Total</b>	<b>6,497</b>	<b>5,206</b>	<b>78.1</b>

#### Notes:

- Net of provision for impairment in the value of investment during the year ended December 31, 2023 NIL ( year ended December 31, 2022 INR 149 Million)
- During the year ended 31<sup>st</sup> December 2023 , the Company subscribed to Hexaware Technologies Inc. non convertible debentures for tenure of 3 years of INR 1246 Million (INR 385 Million for tenure of 3 years in the year ended 31<sup>st</sup> December 2022)
- Movement of INR 20 Million the during current year is on account of exchange rate.
- Supplementary information convenience translation (See Note 2)
- Purchase of additional shares (57,000) during the year ended December 31, 2023 for INR 1 million
- Purchase of additional shares (16,000) during the year ended December 31, 2023 for INR 24 million
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## B Investments – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
<b>Investments carried at fair value through profit or loss</b>			
Mutual fund units (quoted)	2,506	-	30.1
<b>Total</b>	<b>2,506</b>	<b>-</b>	<b>30.1</b>

Aggregate value of quoted and unquoted investments is as follows:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Aggregate value of quoted investments	2,506	-	30.1
Aggregate value of un-quoted investments	6,497	5,206	78.1
<b>Total</b>	<b>9,003</b>	<b>5,206</b>	<b>108.2</b>

## 10. Income taxes

### A Income tax expense is allocated as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Income tax expense as per the Statement of Profit and Loss	1,857	1,691	22.3
Income tax included in Other Comprehensive Income on:			
a) Net change in fair value of cash flow hedges	44	(203)	0.5
b) Remeasurement of defined benefit plan	(9)	(12)	(0.1)
<b>Total</b>	<b>1,892</b>	<b>1,476</b>	<b>22.7</b>

#### Notes:

1. Supplementary information convenience translation (See Note 2.2)

2. ^ value less than USD 0.1 million or INR 1 million



## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 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:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Profit before tax	9,127	8,590	109.7
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	3,189	3,002	38.3
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Income exempt from tax	(1,425)	(1,417)	(17.1)
Tax effect of non-deductible expenses	26	14	0.3
Others	67	92	0.8
<b>Total</b>	<b>1,857</b>	<b>1,691</b>	<b>22.3</b>

Current income tax expense comprises 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 group in an earlier year had applied 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 had accounted the potential tax relief in FY 2020 of INR 241.13 million in the statement of profit and loss for the FY 2017 to 2019. The Company continues to carry the same as at December 31, 2023 pending completion of limitation of period for assessments in US.

#### Notes:

1. Supplementary information convenience translation (See Note 2.2)

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

#### Significant components of net deferred tax assets and liabilities:

Components of deferred taxes:	January 01, 2023	Recognized in profit or loss	Recognized in OCI	December 31, 2023
<b>Deferred tax assets</b>				
Life time expected credit loss	63	32	-	95
Employee benefit obligations	234	114	9	357
Other Intangible assets	-	3	-	3
Cash flow hedges	63	-	(44)	19
Minimum alternate tax credit carry forward	1,248	(88)	-	1,160
Leases liabilities	88	15	-	103
<b>Total</b>	<b>1,696</b>	<b>76</b>	<b>(35)</b>	<b>1,737</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipments	289	(23)	-	266
Other Intangible assets	1	(1)	-	-
<b>Total</b>	<b>290</b>	<b>(24)</b>	<b>-</b>	<b>266</b>
<b>Net deferred tax asset</b>	<b>1,406</b>	<b>100</b>	<b>(35)</b>	<b>1,471</b>
<b>Total (in USD millions)<sup>1</sup></b>	<b>16.9</b>	<b>1.2</b>	<b>(0.4)</b>	<b>17.7</b>

#### Notes:

1. Supplementary information convenience translation (See Note 2.2)

2. ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### Significant components of net deferred tax assets and liabilities:

Components of deferred taxes:	January 01, 2022	Recognized in profit or loss	Recognized in OCI	December 31, 2022
<b>Deferred tax assets</b>				
Life time expected credit loss	87	(24)	-	63
Employee benefit obligations	230	(8)	12	234
Minimum alternate tax credit carry forward	1,392	(144)	-	1,248
Leases liabilities	72	16	-	88
<b>Total</b>	<b>1,781</b>	<b>(160)</b>	<b>12</b>	<b>1,633</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipments	288	1	-	289
Other Intangible assets	-	1	-	1
Cash flow hedges	140	-	(203)	(63)
<b>Total</b>	<b>428</b>	<b>2</b>	<b>(203)</b>	<b>227</b>
<b>Net deferred tax asset</b>	<b>1,353</b>	<b>(162)</b>	<b>215</b>	<b>1,406</b>

- a) Deferred income tax assets have not been recognized on temporary differences as at December 31, 2023 aggregating INR 751 millions (INR 688 millions as at December 31, 2023) 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, 2023 aggregating INR 603 millions (INR 458 millions as at December 31, 2022) 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:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 11. Other financial assets

### A Other financial assets – Non-current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
Interest accrued on bank deposits	1	-	^
Derivative assets	36	39	0.4
Restricted bank balances <sup>2</sup>	22	15	0.3
Security deposits for premises and others <sup>1</sup>	376	344	4.5
<b>Total</b>	<b>435</b>	<b>398</b>	<b>5.2</b>

### B Other financial assets – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
Interest accrued on bank deposits	3	1	^
Others receivables from related parties (Refer to note 27)	12	35	0.1
Derivative assets	72	167	0.9
Security deposits for premises and others	19	7	0.2
<b>Total</b>	<b>106</b>	<b>210</b>	<b>1.3</b>

## 12 Other assets

### A Other assets – Non-current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
Capital advances	224	177	2.7
Cost to fulfill a contract	34	58	0.4
Prepaid expenses	17	11	0.2
Indirect taxes recoverable	12	15	0.1
<b>Total</b>	<b>287</b>	<b>261</b>	<b>3.4</b>

### B Other assets – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
Cost to fulfill a contract	25	31	0.3
Prepaid expenses	587	561	7.1
Indirect taxes recoverable	449	231	5.4
Employee advances	19	16	0.2
Contracts assets	263	530	3.2
Advance to suppliers	26	-	0.3
Others	-	11	-
<b>Total</b>	<b>1,369</b>	<b>1,380</b>	<b>16.5</b>

#### Notes:

1. Excludes deposits aggregating INR 6 millions as at December 31, 2023 (INR 6 millions as at December 31, 2022) provided as doubtful of recovery
2. Restriction on account of bank deposits held as margin money.
3. Supplementary information convenience translation (See Note 2.2)
4. ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 13 Trade receivables

### A Trade receivables - Billed - Current (Unsecured)

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Trade receivable - Billed	8,717	9,334	104.8
Less: Life time expected credit loss	(265)	(171)	(3.2)
<b>Considered good</b>	<b>8,452</b>	<b>9,163</b>	<b>101.6</b>

### B Trade receivables ageing

Ageing for trade receivables as at December 31, 2023 is as follows:

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivable - Billed</b>							
Undisputed trade receivables - considered good	5,455	2,873	42	31	-	4	8,405
Undisputed trade receivables - with significant increase in credit risk	-	4	29	52	-	-	85
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	89	112	-	-	201
Disputed trade receivables - with significant increase in credit risk	-	-	19	7	-	-	26
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	5,455	2,877	179	202	-	4	8,717
<b>Less - Life time expected credit loss</b>							(265)
							<b>8,452</b>
<b>Trade Receivables - Unbilled</b>							2,836
							<b>11,288</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- The Company's credit period generally ranges from 30 - 90 days
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivable - Billed</b>							
Undisputed trade receivables - considered good	4,438	4,574	85	-	5	16	9,118
Undisputed trade receivables - with significant increase in credit risk	-	3	15	-	-	-	18
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	78	120	-	-	-	-	198
Disputed trade receivables - with significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	4,516	4,697	100	-	5	16	9,334
<b>Less - Life time expected credit loss</b>							(171)
							<b>9,163</b>
<b>Trade Receivables - Unbilled</b>							2,829
							<b>11,992</b>

### C The activity in the Life time expected credit loss is given below:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
<b>Balance at the beginning of the year</b>	171	212	2.1
Additions / (write-back) during the year, net	112	(37)	1.3
Charged against allowance	(18)	(5)	(0.2)
Translation exchange difference	-	1	-
<b>Balance at the end of the year</b>	<b>265</b>	<b>171</b>	<b>3.2</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- The Company's credit period generally ranges from 30 - 90 days
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 14 Cash and bank balances

#### A Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>2</sup>
Remittance in transit	63	3	0.8
In current accounts with banks	7,410	6,215	89.0
Bank deposit accounts with less than 3 months maturity	1,513	480	18.2
Unclaimed dividend accounts	103	112	1.2
Margin money with banks	22	15	0.3
	<b>9,111</b>	<b>6,825</b>	<b>109.5</b>
Less: Restricted bank balances	(125)	(127)	(1.5)
<b>Total</b>	<b>8,986</b>	<b>6,698</b>	<b>108.0</b>

#### B Other bank balances

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>2</sup>
Restricted bank balances in respect of unclaimed dividend <sup>1</sup>	103	112	1.2
<b>Total</b>	<b>103</b>	<b>112</b>	<b>1.2</b>

#### Notes:

- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2023.
- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 15. Equity

### 15.1 Authorized capital

	As at December 31, 2023	As at December 31, 2022
525,000,000 Equity shares of INR 2 each	1,050	1,050
1,100,000 Series "A" Preference Shares of INR 1,421 each	1,563	1,563

### 15.2 Issued, subscribed and paid-up capital

	As at December 31, 2023	As at December 31, 2022
Equity shares of INR 2 each	607	604

### 15.3 Reconciliation of number of shares

	As at December 31, 2023	As at December 31, 2022
Shares outstanding at the beginning of the year	302,096,663	301,613,259
Shares issued during the year on exercise of employee stock options	1,312,128	483,404
<b>Shares outstanding at the end of the year</b>	<b>303,408,791</b>	<b>302,096,663</b>

### 15.4 Rights, preferences and restrictions attached to equity shares

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

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

Name of the shareholder		As at December 31, 2023	As at December 31, 2022
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	No. of shares held % of holding	288,802,101	288,617,478
		95.19%	95.54%

### 15.6 Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	As at December 31, 2023		As at December 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	288,802,101	95.19%	288,617,478	95.54%	-0.35%



## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	As at December 31, 2022		As at December 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	288,617,478	95.54%	288,068,041	95.51%	0.03%

### 15.7 Equity share movement during the 5 years preceeding December 31, 2023

**15.7.1** 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.

**15.7.2** 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 INR 2 each. 546,185 RSUs/options were outstanding as on December 31, 2023 (2,177,894 as on December 31, 2022).

**15.7.3** The dividend per share recognized as distribution to equity shareholders during the year ended December 31, 2023 was ₹17.5 per share (year ended December 31, 2022 INR 22 per share).

## 16. Other financial liabilities

### A Other financial liabilities - Non-current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Derivative liabilities	64	182	0.8
Deferred Consideration towards business acquisition <sup>2</sup>	34	86	0.4
Others	8	6	0.1
<b>Total</b>	<b>106</b>	<b>274</b>	<b>1.3</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## B Other financial liabilities - Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
Unclaimed dividend <sup>1</sup>	103	112	1.2
Deferred Consideration towards business acquisition <sup>2</sup>	47	61	0.6
Capital creditors			
Dues of micro enterprises and small enterprises (Refer to note 33)	3	10	^
Dues of other than micro enterprises and small enterprises	320	58	3.8
Employee liabilities	1,429	1,130	17.3
Liabilities towards customer contracts	458	599	5.5
Others payables to related parties (Refer to note 27)	48	-	0.6
Derivative liabilities	169	414	2.0
<b>Total</b>	<b>2,577</b>	<b>2,384</b>	<b>31.0</b>

## 17. Trade payables

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>3</sup>
<b>A Dues of other than micro enterprises and small enterprises</b>			
Trade payables	1,933	417	23.2
Accrued expenses	2,591	1,737	31.2
<b>Total</b>	<b>4,524</b>	<b>2,154</b>	<b>54.4</b>
<b>B Dues of micro enterprises and small enterprises</b>	1	24	^
<b>Total</b>	<b>4,525</b>	<b>2,178</b>	<b>54.4</b>

## C Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2023 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables</b>						
MSME	1	-	-	-	-	1
Others	1,288	563	17	15	50	1,933
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>1,289</b>	<b>563</b>	<b>17</b>	<b>15</b>	<b>50</b>	<b>1,934</b>
Accrued Expenses						2,591
						<b>4,525</b>

### Notes:

- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF).
- Refer to note 7
- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables</b>						
MSME	23	1	-	-	-	24
Others	173	140	54	19	31	417
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>196</b>	<b>141</b>	<b>54</b>	<b>19</b>	<b>31</b>	<b>441</b>
Accrued Expenses						1,737
						<b>2,178</b>

## 18. Other liabilities

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Other liabilities - Current			
Contract liabilities (refer to note 20.6)	297	406	3.6
Statutory liabilities	494	443	5.9
<b>Total</b>	<b>791</b>	<b>849</b>	<b>9.5</b>

## 19. Provisions

### A Provisions - Non-current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Employee benefit obligations in respect of gratuity and others	904	649	10.9
<b>Total</b>	<b>904</b>	<b>649</b>	<b>10.9</b>

### B Provisions - Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023 (in USD millions) <sup>1</sup>
Employee benefit obligations in respect of compensated absences and others	843	675	10.1
Provision for onerous contracts	199	-	2.4
<b>Total</b>	<b>1,042</b>	<b>675</b>	<b>12.5</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## Movement of Provision for onerous contracts

	As at December 31, 2023	As at December 31, 2022
<b>Opening Balance</b>	-	-
Additional provision during the year	119	-
Provision reversed/utilized during the year	-	-
<b>Closing Balance</b>	<b>119</b>	-

## 20. Revenue

### 20.1 Revenue disaggregation by geography is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
<b>Geography</b>			
Americas <sup>3</sup>	34,424	27,926	413.7
Europe <sup>4</sup>	9,999	7,484	120.2
Asia Pacific <sup>5</sup>	5,426	5,603	65.2
<b>Total</b>	<b>49,849</b>	<b>41,013</b>	<b>599.1</b>

### 20.2 Revenue disaggregation by contract type is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Offshore	34,141	30,300	410.3
Onshore	15,343	10,479	184.4
Others	365	234	4.4
<b>Total revenue from operations</b>	<b>49,849</b>	<b>41,013</b>	<b>599.1</b>

### 20.3 Revenue disaggregation by nature of service is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Revenue from contracts with customers	49,849	41,013	599.1
<b>Total revenue from operations</b>	<b>49,849</b>	<b>41,013</b>	<b>599.1</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million
- is substantially related to operations in United States of America.
- is substantially related to operations in United Kingdom
- is substantially related to operations in India

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 20.4 Reconciliation of revenue recognized with the contracted price is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Contracted price	50,469	41,674	606.6
Reductions towards variable consideration components (discounts, rebate)	(620)	(661)	(7.5)
<b>Revenue recognized</b>	<b>49,849</b>	<b>41,013</b>	<b>599.1</b>

### 20.5 Cost to fulfill contract

The Company recognizes contract fulfillment 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 recognized is amortized 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 fulfillment cost:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Balance as at the beginning of the year	89	86	1.1
Cost capitalized during the year	-	37	-
Amortization during the year	(30)	(34)	(0.4)
<b>Balance as at the end of the year</b>	<b>59</b>	<b>89</b>	<b>0.7</b>

### 20.6 Changes in Contract Liabilities are as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Balance as at the beginning of the year	406	283	4.9
Revenue recognized during the year	(342)	(277)	(4.1)
Additions during the year	233	400	2.8
<b>Balance as at the end of the year</b>	<b>297</b>	<b>406</b>	<b>3.6</b>

### 20.7 Contract Assets are as follows:

During the years ended December 31, 2023 and 2022, INR 530 millions and INR 388 millions of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones.

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 20.8 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.

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Within 1 year	7,089	5,484	85.2
More than 1 year	6,788	5,773	81.6

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.

## 21. Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Gains / (losses) (net) on redemption / sale of Investments	39	43	0.5
Gain / (losses) (net) on on investments carried at fair value through profit or loss	45	(13)	0.5
Interest income	83	61	1.0
Profit / (loss) on sale of property, plant and equipment (net)	6	3	0.1
Exchange rate difference (net)	158	1,581	1.9
Miscellaneous income	12	9	0.1
<b>Total</b>	<b>343</b>	<b>1,684</b>	<b>4.1</b>

## 22. Employee benefits expense

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Salary and allowances <sup>2</sup>	23,118	21,155	277.8
Contribution to provident, other funds and benefits	1,464	720	17.6
Staff welfare expenses	600	554	7.2
Employee stock option compensation cost	108	262	1.3
<b>Total</b>	<b>25,290</b>	<b>22,691</b>	<b>303.9</b>

### Notes:

- Supplementary information convenience translation (See Note 2.2)
- includes Nil & INR 33 million for year ended December 31, 2023 and 2022, incremental bonus to select employees, for additional efforts on account of one-time events involving the Company.
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 23. Other expenses

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Rent	52	36	0.6
Rates and taxes	23	49	0.3
Travelling and conveyance	987	744	11.9
Electricity charges	259	190	3.1
Communication expenses <sup>4</sup>	385	291	4.6
Repairs and maintenance <sup>3</sup>	1,695	1,161	20.4
Printing and stationery	21	28	0.3
Payment to auditors			
Audit fees	14	11	0.2
Tax audit fees	2	2	^
Certification work, taxation and other matters	3	-	^
Legal and professional fees <sup>2</sup>	424	574	5.1
Advertisement and business promotion	237	335	2.8
Bank and other charges	21	21	0.3
Directors' sitting fees and Commission	60	3	0.7
Insurance charges	88	92	1.1
Sub contracting and other service charges	9,409	5,804	113.1
Life time expected credit loss	112	(37)	1.3
Staff recruitment expenses	225	401	2.7
Provision for impairment in the value of investment (Refer to note 9)	-	27	-
Miscellaneous expenses	170	176	2.0
<b>Total</b>	<b>14,187</b>	<b>9,908</b>	<b>170.5</b>

#### Notes:

- Supplementary information convenience translation (See Note 2.2)
- includes expenses of INR 245 million and INR 232 million for the year ended December 31, 2023 and 2022, respectively, on account of one-time events involving the company.
- includes INR 139 million & Nil for year ended December 31, 2023 and 2022, on account of one-time events involving the Company.
- includes INR 140 million & Nil for year ended December 31, 2023 and 2022, on account of one-time events involving the Company.
- ^ value less than USD 0.1 million or INR 1 million

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 24. Finance costs

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Interest on lease liabilities	180	220	2.2
Others	61	34	0.7
<b>Total</b>	<b>241</b>	<b>254</b>	<b>2.9</b>

## 25. Depreciation and amortization expense

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
Depreciation on Property, plant and equipment	848	838	10.2
Amortization of ROU assets <sup>2</sup>	448	350	5.4
Amortization of Intangibles	51	66	0.6
<b>Total</b>	<b>1,347</b>	<b>1,254</b>	<b>16.2</b>

## 26 Earnings per share (EPS)

The components of basic and diluted EPS:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>7</sup>
Net profit after tax	7,270	6,899	87.4
Weighted average outstanding equity shares considered for basic EPS	303,196,821	301,704,713	303,196,821
<b>Basic earnings per share</b>	<b>23.98</b>	<b>22.87</b>	<b>0.29</b>
Weighted average outstanding equity shares considered for basic EPS	303,196,821	301,704,713	303,196,821
Add: Effect of dilutive issue of stock options	752,848	2,520,423	752,848
Weighted average outstanding equity shares considered for diluted EPS	303,949,669	304,225,136	303,949,669
<b>Diluted earnings per share</b>	<b>23.92</b>	<b>22.68</b>	<b>0.29</b>
Par value per share in INR	2.00	2.00	2.00

### Notes:

- Supplementary information convenience translation (See Note 2.2)
- includes INR 4 million & Nil for year ended December 31, 2023 and 2022, on account of one-time events involving the Company.
- ^ value less than USD 0.1 million or INR 1 million



# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 27. Related party disclosures

Names of related parties	Country
<b>Ultimate Holding Company and it's subsidiaries</b>	
Hexaware Global Limited (Ertstwhile CA Campine Investments)	Mauritius
<b>Parent Company of Hexaware Technologies Limited (control exists)</b>	
CA Magnum Holdings	Mauritius
<b>Subsidiaries</b>	
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
Hexaware Technologies ARG SAS <sup>(1)</sup>	Argentina
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Romania SRL <sup>(6)</sup>	Romania
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiquity Inc. <sup>(2)</sup>	United States of America
Mobiquity Velocity Solutions, Inc <sup>(3)</sup>	United States of America
Mobiquity Velocity Cooperative UA <sup>(3)</sup>	Netherlands
Mobiquity BV <sup>(4)</sup>	Netherlands
Mobiquity Consulting BV (formerly known as Morgan Clark BV) <sup>(4)</sup>	Netherlands
Mobiquity Softech Private Limited	India
Hexaware Technologies South Africa (Pty) Limited <sup>(1)</sup>	South Africa
Hexaware AI Balagh Technologies LLC <sup>(5)</sup>	Qatar
Hexaware Technologies Belgium SRL <sup>(1)</sup>	Belgium
<b>Key Management Personnel (KMP)</b>	
<b>Executive Director and CEO</b>	
R Srikrishna	
<b>Non-Executive Directors</b>	
Milind Sarwate	
Larry Quinlan (w.e.f. February 07, 2022)	
Michael Bender (w.e.f. February 07, 2022)	
Neeraj Bharadwaj	
Sandra Joy Horbach	
Patrick Reid Mccarter (from November 10, 2021 to August 08, 2022)	
Julius Michael Genachowski	
Lucia De Fatima Soares	
Shawn Albert Devilla (w.e.f. August 09, 2022)	
Kapil Modi	
<b>Entity with common key managerial person</b>	
Foundation for Promotion of Sports and Games (OGQ)	

### 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. Incorporated w.e.f 5<sup>th</sup> December 2023
6. Subsidiary of Hexaware Technologies UK Limited (Liquidated on 13<sup>th</sup> September 2023)

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

Nature of transactions	Name of the Related party and Relationship	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
<b>Investment made</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Nordic AB	24	24	0.3
		<b>24</b>	<b>24</b>	<b>0.3</b>
<b>Investment made in Non Convertible Debenture</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	1,246	385	15.0
		<b>1,246</b>	<b>385</b>	<b>15.0</b>
<b>Impairment in value of Investment</b>	<b>Subsidiaries</b>			
	Hexaware Technologies LLC	-	27	-
		-	<b>27</b>	-
<b>Corporate Guarantee Given</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	-	2,706	-
		-	<b>2,706</b>	-
<b>Accrual of Share based cost</b>	<b>Ultimate Holding Company</b>			
	Hexaware Global Limited (Ertstwhile CA Campine Investments)	157	140	1.9
		<b>157</b>	<b>140</b>	<b>1.9</b>
<b>Software and consultancy income</b>	<b>Subsidiaries</b>			
	Hexaware Technologies UK Limited	4,944	4,565	59.4
	Others	2,733	2,113	32.8
		<b>7,677</b>	<b>6,678</b>	<b>92.2</b>
<b>Software and development expenses -subcontracting charges</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	7,275	3,922	87.4
	Others	891	595	10.7
		<b>8,166</b>	<b>4,517</b>	<b>98.1</b>
<b>Reimbursement of cost to</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	^	-	^
	Hexaware Technologies Nordic AB	-	^	-
	Hexaware Technologies UK Limited	1	-	^
		<b>1</b>	-	<b>^</b>
<b>Recovery of cost from</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	83	473	1.0
	Hexaware Technologies UK Limited	66	74	0.8
	Others	25	61	0.3
		<b>174</b>	<b>608</b>	<b>2.1</b>

### Notes:

- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

Nature of transactions	Name of the Related party and Relationship	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>1</sup>
<b>Corporate Gurantee Charges<sup>4</sup></b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	3	6	^
		<b>3</b>	<b>6</b>	<b>^</b>
<b>Interest on Non Convertible Debenture</b>	<b>Subsidiaries</b>			
	Hexaware Technologies Inc.	69	47	0.8
		<b>69</b>	<b>47</b>	<b>0.8</b>
<b>Corporate Social Responsibility expenses</b>	<b>Entity with common key managerial person</b>			
	Foundation for Promotion of Sports and Games (OGQ)	26	-	0.3
		<b>26</b>	<b>-</b>	<b>0.3</b>
<b>Remuneration to KMP's and Directors</b>	<b>Short-term employee benefits</b>	18	6	0.2
	Post-employee benefits	1	^	^
	Share-based payment	31	28	0.4
	Commission and other benefits to non-executive directors <sup>2</sup>	60	61	0.7
		<b>110</b>	<b>95</b>	<b>1.3</b>

### Notes:

- Supplementary information convenience translation (See Note 2.2)
- Provision is made for commission, for the year ended December 31, 2023, payment of which is subject to adequacy of profits to be determined annually.
- ^ value less than USD 0.1 million or INR 1 million
- refer to note 34 (ii)

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

### Outstanding Balances

Name of the Related party and Relationship	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2023 (in USD millions) <sup>2</sup>
Investment in equity (Including share application money) (Refer to note 9A)	2,332	2,308	28.0
	<b>2,332</b>	<b>2,308</b>	<b>28.0</b>
<b>Investment in Non Convertible Subsidiaries</b>			
<b>Debentures</b>			
Hexaware Technologies Inc.	4,161	2,895	50.0
	<b>4,161</b>	<b>2,895</b>	<b>50.0</b>
<b>Trade, other receivable and Accrual</b>			
<b>Subsidiaries</b>			
Hexaware Technologies UK Limited	1,269	2,933	15.3
Hexaware Technologies Saudi LLC	454	254	5.5
Others	760	748	9.1
	<b>2,483</b>	<b>3,935</b>	<b>29.9</b>
<b>Trade payable - towards services , reimbursement of cost and Accrual</b>			
<b>Subsidiaries</b>			
Hexaware Technologies Inc.	2,253	473	27.1
Others	297	349	3.6
	<b>2,550</b>	<b>822</b>	<b>30.7</b>
<b>Payable to / Provision for KMP's</b>	57	57	0.7
	<b>57</b>	<b>57</b>	<b>0.7</b>
<b>Corporate Gaurantee<sup>1</sup></b>			
<b>Subsidiaries</b>			
Hexaware Technologies Saudi LLC	-	22	-
Hexaware Technologies Nordic AB	-	41	-
Hexaware Technologies Inc.	2,829	2,813	34.0
	<b>2,829</b>	<b>2,876</b>	<b>34.0</b>
<b>Payable to Hexaware Global Limited (Ertstwhile CA Campine Investments)</b>	<b>276</b>	<b>140</b>	<b>3.3</b>

### Notes:

1. 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.
2. Supplementary information convenience translation (See Note 2.2)
3. ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 28. Financial Instruments

- (i) The carrying value / fair value of financial instruments (other than investment in subsidiaries and associates) by categories as at December 31, 2023 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	8,986	-	-	-	8,986
Other bank balances	103	-	-	-	103
Investments in mutual fund units	-	2,506	-	-	2,506
Trade receivables - Billed	8,452	-	-	-	8,452
Trade receivables - Unbilled	2,836	-	-	-	2,836
Other financial assets	433	-	-	108	541
Investment in Non-Convertible Debenture	4,161	-	-	-	4,161
Investments in equity shares	-	-	4	-	4
<b>Total</b>	<b>24,971</b>	<b>2,506</b>	<b>4</b>	<b>108</b>	<b>27,589</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>300.1</b>	<b>30.1</b>	<b>^</b>	<b>1.3</b>	<b>331.5</b>
Trade payables	4,525	-	-	-	4,525
Lease liabilities	2,405	-	-	-	2,405
Other financial liabilities	2,450	-	-	233	2,683
<b>Total</b>	<b>9,380</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>9,613</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>112.7</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>115.5</b>

### Notes

- Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, other financial assets, Investment in Non-Convertible Debentures, 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 amortized cost is not significant in each of the period presented.
- Supplementary information convenience translation (See Note 2.2)
- ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	6,698	-	-	-	6,698
Other bank balances	112	-	-	-	112
Trade receivables - Billed	9,163	-	-	-	9,163
Trade receivables - Unbilled	2,829	-	-	-	2,829
Investment in Non-Convertible Debenture	2,895	-	-	-	2,895
Other financial assets	402	-	-	206	608
Investments in equity shares	-	-	3	-	3
<b>Total</b>	<b>22,099</b>	<b>-</b>	<b>3</b>	<b>206</b>	<b>22,308</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>265.6</b>	<b>-</b>	<b>^</b>	<b>2.5</b>	<b>268.1</b>
Trade payables	2,178	-	-	-	2,178
Lease liabilities	2,412	-	-	-	2,412
Other financial liabilities	2,062	-	-	596	2,658
<b>Total</b>	<b>6,652</b>	<b>-</b>	<b>-</b>	<b>596</b>	<b>7,248</b>
<b>Total (in USD millions)<sup>2</sup></b>	<b>80.4</b>	<b>-</b>	<b>-</b>	<b>7.2</b>	<b>87.1</b>

### (ii) Fair value hierarchy

Fair value measurements are categorized 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

### Notes:

1. Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, other financial assets, Investment in Non-Convertible Debentures, 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 amortized cost is not significant in each of the period presented.
2. Supplementary information convenience translation (See Note 2.2)
3. ^ value less than USD 0.1 million or INR 1 million

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2023:

	Level I	Level II	Level III	Total
Mutual fund units	2,506	-	-	2,506
Investments in equity shares	-	-	4	4
Derivative financial assets	-	108	-	108
	<b>2,506</b>	<b>108</b>	<b>4</b>	<b>2,618</b>
Derivative financial liabilities	-	233	-	233
	-	<b>233</b>	-	<b>233</b>

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2022:

	Level I	Level II	Level III	Total
Investments in equity shares	-	-	3	3
Derivative financial assets	-	206	-	206
	-	<b>206</b>	<b>3</b>	<b>209</b>
Derivative financial liabilities	-	596	-	596
	-	<b>596</b>	-	<b>596</b>

### 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.

### (iii) 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

During the year ended December 31, 2023, Americas contributed 69.1 % (December 31, 2022 - 68.1 %) 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 favor 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.

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

47.76 % of the revenue for the year is generated from top 10 clients (previous year - 48.8 %). 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 INR 8452 million and INR 9163 million as at December 31, 2023 and December 31, 2022, respectively, unbilled receivables of INR 2836 million and INR 2829 million as at December 31, 2023 and December 31, 2022, respectively and contract assets of INR 263 million and INR 530 million as at December 31, 2023 and December 31, 2022, respectively.

The Company has adopted an effective receivable management system to control the Days Sales Outstanding (DSO). Refer to note 13 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 10 customer dues contribute 55 % of the total outstanding as at December 31, 2023 ( 60.1 % as at December 31, 2022).

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.

### (iv) 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 of the Board who 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 Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

The following table analyses foreign currency risk from financial instruments as at December 31, 2023 & 2022:

	Net financial assets (A)	Net financial liabilities (B)	Net assets/ (liabilities) (A-B)
As at December 31, 2023			
USD	15,485	4,591	10,894
EURO	323	196	127
GBP	618	16	602
Others <sup>1</sup>	1,802	73	1,729

	Net financial assets (A)	Net financial liabilities (B)	Net assets/ (liabilities) (A-B)
As at December 31, 2022			
USD	13,684	2,886	10,798
EURO	307	111	196
GBP	2,967	5	2,962
Others <sup>1</sup>	1,505	13	1,492

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 INR 1,335 million and INR 1,545 million for the year ended December 31, 2023 and December 31, 2022, 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:

	As at December 31, 2023	As at December 31, 2022
<b>Currency hedge (sell contracts)</b>		
USD	331	254
EURO	12	13
GBP	54	39

The weighted average forward rate for the hedges outstanding as at December 31, 2023 is INR 84.70, INR 93.23 and INR 105.54 (As at December 31, 2022 - INR 82.13, INR 91.18 and INR 105.21) 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 Company's other comprehensive income approximate by INR 422 millions and INR 319 millions for the year ended December 31, 2023 and December 31, 2022, respectively.

### Notes:

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

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	(254)	537
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(53)	(161)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	279	(833)
Less: Deferred tax	(44)	203
<b>Balance at the end of the year</b>	<b>(72)</b>	<b>(254)</b>

There were no material hedge ineffectiveness for the year ended December 31, 2023 and 2022.

### 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, 2023 the Company had total cash, bank balance and current investments of INR 11,617 millions (December 31, 2022: INR 6,825 millions) which constitutes approximately 28 % (December 31, 2022: 19 %) of total assets.

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

As at December 31, 2023	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	542	492	1,127	1,358	3,519
Trade and other payables	4,525	-	-	-	4,525
Foreign currency derivative liabilities	169	64	-	-	233
Others (Refer to note 16)	2,408	42	-	-	2,450
<b>Total</b>	<b>7,644</b>	<b>598</b>	<b>1,127</b>	<b>1,358</b>	<b>10,727</b>

As at December 31, 2022	Less than 1 year	1-2 years	3-5 years	Beyond 5 years	Total
Lease Liabilities	290	223	395	1,504	2,412
Trade and other payables	2,178	-	-	-	2,178
Foreign currency derivative liabilities	414	182	-	-	596
Others (Refer to note 16)	1,970	92	-	-	2,062
<b>Total</b>	<b>4,852</b>	<b>497</b>	<b>395</b>	<b>1,504</b>	<b>7,248</b>

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 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 objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The Company is not subject to any externally imposed capital requirements.

## 29. 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 holding Company as well as its subsidiaries are granted options/ Restricted Stock Options (RSU) entitling them to one equity share of INR 2/- each for each option granted. Exercise price is the price determined by the Committee. 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 (INR)	RSU's (nos.)	Weighted ex. Price per share (INR)	Options/ RSU's (nos.)	Weighted ex. Price per share (INR)
Outstanding at the beginning of the year	6,250	2.00	2,171,644	2.00	2,177,894	2.00
	(124,546)	(2.00)	(2,536,752)	(2.00)	(2,661,298)	(2.00)
Granted during year	-	-	-	-	-	-
	-	-	-	-	-	-
Exercised during the year	2,381	2.00	1,309,747	2.00	1,312,128	2.00
	(118,296)	(2.00)	(365,108)	(2.00)	(483,404)	(2.00)
Lapsed during the year	1,637	2.00	317,944	2.00	319,581	2.00
	-	-	-	-	-	-
Outstanding at the year end	2,232	2.00	543,953	2.00	546,185	2.00
	(6,250)	(2.00)	(2,171,644)	(2.00)	(2,177,894)	(2.00)
Exercisable as at the year end	2,232	2.00	405,984	2.00	408,216	2.00
	(58,501)	(2.00)	(225,581)	(2.00)	(284,082)	(2.00)

Previous year figures are given in bracket.

- c) The weighted average share price of options exercised on the date of exercise was INR 765 per share and INR 765 per share for the year ended December 31, 2023 and December 31, 2022, respectively.

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

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

Range of exercise price	As at December 31, 2023		As at December 31, 2022	
	Options/ RSU's (Nos)	Life	Options/ RSU's (Nos)	Life
2.00	546,185	12	2,177,894	12
<b>Total</b>	<b>546,185</b>		<b>2,177,894</b>	

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

Particulars	Year 2021
Weighted Average fair value (INR)	458.73
Weighted Average share price (INR)	475.00
Dividend Yield (%)	1.68
Expected Life (years)	1.19 - 2.50
Risk free interest rate (%)	3.75 - 4.95
Volatility (%)	10.41 - 40.34

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

- f) (i) During the year ended December 31, 2023, the Company modified the restricted stock unit (RSU) scheme and provided a one-time option in respect of certain grants for RSU holder to surrender RSU against a cash payment of INR 763/- per RSU ('offer price'). Total of 250,762 RSUs were surrendered by the employees. Total cash payout / payable by the Company is INR 190 million.

- Incremental cost recorded in the statement of profit and loss of INR 47 million, for excess of offer price of INR 763/- over fair value on date of modification.
- 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 INR 34 million was recorded in the equity.

The fair value on the date of modification was 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.

- (ii) During the year ended December 31, 2022, the Company modified the grant in respect of 364,764 vested RSUs to allow for the equity settlement instead of cash settlement chosen by employee during the year ended December 31, 2021. Accordingly, the Company has:

- Derecognized the liability towards cash settlement of INR 278 million
- Remeasured equity settled award at modification date fair value and recorded INR 210 million in equity
- An amount of INR 69 million being difference between the carrying amount of the liability derecognized and the amount of equity recognized on the modification date is recognized in consolidated statement of profit and loss.

The fair value on the date of modification was 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.

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

- g) The Ultimate Holding company Hexaware Global Limited (earlier known as CA Campine Limited) has granted ESOP to employees of the Company. The said grants allows eligible employee to opt for one share of Hexaware Global Limited for each option held upon vesting which could be time based, performance based or event based. The exercise price for the option is USD 7 per share, weighted average estimated fair value is approximately USD 1.10 per option and remaining weighted average life is approximately 50 months.

The Company has recognized INR 157 million as estimated cost for such ESOPs granted in the statement of profit and loss during the year ended December 31, 2023.

### 30. 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 employees' 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	December 31, 2023	December 31, 2022
Present value of benefit obligation	4,486	4,580
Fair value of plan assets	4,584	4,602
Expected Investment Return	8.12%	8.15%
Remaining term of maturities of plan assets	4.56 years	4.75 years
Expected guaranteed interest rates	8.15%	8.10%

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 recognizes 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 INR 1,143 millions (December 31, 2022: INR 1,069 millions) and INR 71 millions (December 31, 2022: INR 65 millions), respectively.

#### 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.

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(INR in millions, except share and per share data, unless otherwise stated)

During the year ended December 31, 2022, the Company made changes to its gratuity plan to bring this in line to Payment of Gratuity Act, 1972. With this change the Company has accounted for one-time benefit in profit and loss account amounting to INR 246 million (net of payments).

The following table sets out the status of the gratuity plan

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	876	1,355
Current service cost	219	189
Past service cost	-	(591)
Interest cost	58	75
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	28	(49)
- Actuarial loss/(gains) arising from change in demographical assumptions	-	-
- Actuarial loss/(gains) arising on account of experience changes	17	92
Benefits paid	(109)	(195)
<b>Closing defined benefit obligation (A)</b>	<b>1,088</b>	<b>876</b>
<b>Change in the Fair Value of Assets</b>		
Opening fair value of plan assets	363	525
Interest on plan assets	24	28
Remeasurement due to actual return on plan assets less interest on plan assets	(2)	1
Contribution by employer	40	3
Benefits paid	(109)	(195)
<b>Closing fair value of plan assets (B)</b>	<b>316</b>	<b>363</b>
<b>Net liability as per actuarial valuation (A-B)</b>	<b>772</b>	<b>513</b>
<b>Expense charged to statement of profit and loss:</b>		
Current service cost	219	189
Past service cost	-	(591)
Net Interest on defined benefit plan	34	46
<b>Total included in Employment Benefit expenses</b>	<b>253</b>	<b>(356)</b>
<b>Amount recognized in other comprehensive income:</b>		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	28	(49)
- changes in demographical assumptions	-	-
- Experience adjustments	17	92
- Actual return on plan assets less interest on plan assets	2	(1)
<b>Total amount recognized in other comprehensive income</b>	<b>47</b>	<b>42</b>
<b>Actual return on plan assets</b>	<b>22</b>	<b>30</b>
<b>Category of assets - Insurer Managed Fund#</b>	<b>316</b>	<b>363</b>

#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.

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(INR in millions, except share and per share data, unless otherwise stated)

The Company is expected to contribute ₹100 Million to gratuity funds in next year.

Financial assumptions at the valuation date	For the year ended December 31, 2023	For the year ended December 31, 2022
Discount rate *	7.20%	7.35%
Rate of increase in compensation levels of covered employees **	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.20%	7.35%

\* 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 summarizes 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	For the year ended December 31, 2023	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-2.46%	2.54%
Decrease in 50 bps	2.58%	-2.45%

Impact on defined benefit obligation	For the year ended December 31, 2022	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-2.46%	2.55%
Decrease in 50 bps	2.58%	-2.46%

### 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	INR Millions
Year 1	211
Year 2	162
Year 3	170
Year 4	148
Year 5	136
Thereafter	850

The weighted average duration to the payment of these cash flows is 5.08 years.

# Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

## 31. Segments

In accordance with Ind AS 108 'Operating Segment', the Company has disclosed Segment information on consolidated basis for the year ended December 31, 2023 which is available as part of the audited consolidated financial statements of the Company.

## 32. Corporate Social Responsibility

- a Gross amount required to be spent by the Company is INR 143 and INR 127 for the year ended December 31, 2023 and December 31, 2022, respectively.
- b Amount spent during the year on:

Particulars	For the year ended December 31, 2023		
	Amount Paid	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	144	-	144
<b>Total amount spent during the year</b>	<b>144</b>	<b>-</b>	<b>144</b>
<b>Details of related party transactions</b>			
Foundation for Promotion of Sports and Games (OGQ)	26	-	26

Particulars	For the year ended December 31, 2022		
	Amount Paid	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	102	25	127
<b>Total amount spent during the year</b>	<b>102</b>	<b>25</b>	<b>127</b>

The nature of corporate social responsibility activities undertaken by the Company for the year ended December 31, 2023 and 2022 includes work in the area of education, woman empowerment, environment, health and sanitation, sports and skill development.

## 33. Disclosure pursuant to amount due to Micro, Small and Medium enterprises is as under:

	As at December 31, 2023	As at December 31, 2022
Amount due to vendor	4	34
Principal amount paid (includes unpaid beyond the appointed date)	6	22
Interest due and paid /payable for the year	^	^
Interest accrued and remaining unpaid	^	^

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.

### Notes:

1. ^ value less than USD 0.1 million or INR 1 million



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### 34. Commitments and contingencies

#### a Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) as at December 31, 2023 and 2022 is INR 1078 millions and INR 1,623 millions, respectively.

#### b Contingencies

- (i) Disputed Liabilities not provided for

	As at December 31, 2023	As at December 31, 2022
a) Income Tax	10	10
b) Other Litigations (Gross of tax)*	-	69
c) Claims against the Company not acknowledged as debts (Gross of tax)	28	28

The above does not include obligations resulting from customer claims, show cause 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.

- (ii) The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in this respect.

\*The Company and its subsidiary Hexaware Technology Inc. were made party as defendant in a case of car accident involving its employees. The insurer of Hexaware Technology Inc., admitting notification by Hexaware Technology Inc., consented to the settlement with plaintiff for payment of INR 320 millions (US\$ 4 millions) which was then approved by the competence court. The insurer of the Company had asserted that it has not agreed to such settlement considering it to be grossly overvalued, however till date insurer of Hexaware Technology Inc. has not claimed for any contribution from the company and the Company believes that no such claim would be made now. Accordingly, potential uncovered amount of INR 69 millions disclosed as contingent liability in prior year translating into outflow of resource is remote.

#### Notes:

1. ^ value less than USD 0.1 million or INR 1 million

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(INR in millions, except share and per share data, unless otherwise stated)

### 35. Relationship with the struck off companies

Transactions with struck off companies:

Name of struck off company	Nature of Transaction	Transactions during the year December 31, 2023	Balance outstanding As at December 31, 2023	Transactions during the year December 31, 2022	Balance outstanding As at December 31, 2022
Pancyber Infotech Private Limited	Receipt of services	-	-	3	-
Axenic Water Private Limited	Receipt of services	^	^	-	-
Hundalani Finance And Leasing Company Limited	Shareholders - Interim dividend	^	-	^	-
Unickon Fincap Private Limited	Shareholders - Interim dividend	^	^	-	-
IDAFA Investments Private Limited	Shareholders - Interim dividend	^	^	^	^
Vaishak Shares Limited	Shareholders - Interim dividend	^	^	^	-
Home Trade Limited	Shareholders - Interim dividend	^	1	^	^
Skan Packagingandinvestments Pvt Ltd	Shareholders - Interim dividend	^	^	-	-
Mascon Global Limited	Shareholders - Interim dividend	^	^	^	^
Arihant Capital Markets Ltd <sup>2</sup>	Shareholders - Interim dividend	-	-	^	-
Nangalia Fiscal Services Pvt. Ltd <sup>2</sup>	Shareholders - Interim dividend	-	-	^	-
Gurudev Marketing Private Ltd <sup>2</sup>	Shareholders - Interim dividend	-	-	^	-

**Notes:**

1. ^ value less than USD 0.1 million or INR 1 million
2. Inactive as at December 31, 2022, Active as at December 31, 2023

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

### 36. Additional Regulatory Information - Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance
Current ratio (in times)	Total Current Assets	Total Current Liability	2.48	3.06	-19%
Debt-equity ratio (in times)	Debt including and lease liabilities	Total Equity	0.08	0.09	-7%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest, lease and principal repayments	14.02	15.94	-12%
Return on equity ratio (in %)	Profit for the year less preference dividend	Average total equity	26.24%	25.81%	2%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables (including unbilled receivables and contract asset)	4.14	3.67	13%
Trade payables turnover ratio (in times)	Other operating expenses (net of doubtful debts)	Average trade payables	4.20	4.06	3%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less Total current liabilities)	3.53	2.89	22%
Net profit ratio (in %)	Profit for the year	Revenue from operations	14.58%	16.82%	-13%
Return on capital employed (in %)	Profit before interest and tax	Tangible Net Worth + Debt (including lease liability) + Deferred Tax Liability	30.29%	30.62%	-1%

### 37. 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 end of the reporting 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** No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes Forming Part of Standalone Financial Statements

(INR in millions, except share and per share data, unless otherwise stated)

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**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** Material events after Balance Sheet date:

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

**E** Approval of the financial statements:

The Standalone financial statements were approved for issue by the Board of Directors on February 07, 2024.

As per our report of even date attached

**For BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Jaclyn Desouza**

**Partner**

Membership number: 124629

Place: Mumbai

Date: February 08, 2024

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

CIN: U72900MH1992PLC069662

**Neeraj Bharadwaj**

**Director**

DIN 01314963

Place: New York

Date: February 08, 2024

**Kapil Modi**

**Director**

DIN 07055408

Place: New York

Date: February 08, 2024

**R. Srikrishna**

**CEO & Executive Director**

DIN 03160121

Place: New York

Date: February 08, 2024

**Vikash Kumar Jain**

**Chief Financial Officer**

Place: Mumbai

Date: February 08, 2024

**Gunjan Methi**

**Company Secretary**

Place: Mumbai

Date: February 08, 2024