Independent Auditor’s Report

To the Board of Directors of Hexaware Information Technologies (Shanghai) Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hexaware Information Technologies (Shanghai) Company Limited ("the Company"), which comprise the balance sheet as at 31st December, 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Financial Reporting as specified under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder.

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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st December, 2018 and financial performance including total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

for K. S. Bhatia & Co.
Chartered Accountants
Firm’s Registration Number: 114520W

Kaushik Bhatia
Partner

Membership Number: 046908
Mumbai, 24th January 2019
HEXWARE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2018

Currency : CNY
As at December 31, 2018

Assets
Current assets
Financial Assets
- Trade receivables
- Cash and cash equivalents
- Other financial assets
Other assets
Total current assets
Total assets

Equity and liabilities
Equity
Equity Share capital
Other Equity
Total equity
Current liabilities
Trade Payables
Other financial liabilities
Other current liabilities
Total current liabilities
Total liabilities
Total equity and liabilities

Notes 1 to 21 forms an integral part of the financial statements

Hexaware information Technologies (Shanghai) Company Limited

Shyam J. Mansukhani
Authorised Signatory

Place : Mumbai
Date : 24th January, 2019

For K.S. Bhata & Co.
Chartered Accountants
FRN No. 114520W

Mumbai
FRN- 114520W
M. No. 046008

Kaushik Bhata
Partner
M. No. 046008

Place : Mumbai
Date : 24th January, 2019
# HEXAWARE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS

<table>
<thead>
<tr>
<th>Notes</th>
<th>Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Revenue from information technology and consultancy services</td>
<td>375,276</td>
</tr>
<tr>
<td></td>
<td>Other income</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td><strong>375,396</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Employee benefits expense</td>
<td>221,372</td>
</tr>
<tr>
<td>13</td>
<td>Operation and Other Expenses</td>
<td>48,524</td>
</tr>
<tr>
<td></td>
<td>Exchange Rate difference (net)</td>
<td>278</td>
</tr>
<tr>
<td></td>
<td><strong>Total Expenses</strong></td>
<td><strong>278,124</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Profit Before Tax</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Profit for the year</strong></td>
<td><strong>105,222</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Other Comprehensive Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Total Comprehensive Profit for the year</strong></td>
<td><strong>105,222</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Earnings Per Share (In CNY)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td><strong>10.522</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes 1 to 21 forms an integral part of the financial statements.

Hexaware Information Technologies (Shanghai) Company Limited  

[Signature]

Shyam J.Mansukhani  
Authorised Signatory

Place: Mumbai  
Date: 24th January, 2019

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As per our report of even date  

For K S. Bhatia & Co.  
Chartered Accountants  
FRN No. 114520W

[Signature]

Kushal Bhatia  
Partner  
M. No. 046908

Place: Mumbai  
Date: 24th January, 2019
HEXAWARE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED
CASH FLOW STATEMENT

Currency : CNY
For the Year ended
December 31, 2018

Cash Flow from operating activities

Net Profit before tax 105,222
Adjustments for:
Interest Income (120)
Operating profit before working capital changes 105,102
Adjustments for:
Trade and other receivables (428,430)
Trade and other payables 223,698
Cash from / (used) in operations (99,630)
Proceeds from issue of share capital 347,412
Interest Income 120
Net cash from financing activities 347,532

Net increase / (decrease) in cash and cash equivalents 247,902
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year (Refer note no 5)

Notes 1 to 21 forms an integral part of the financial statements

Hexaware Information Technologies (Shanghai) Company Limited

Shyam J. Mansukhani
Authorised Signatory

Place : Mumbai
Date : 24th January, 2019

As per our report of even date

For K.S. Bhatia & Co.
Chartered Accountants
FRN No. 114520W

Kaushik Bhatia
Partner
M. No. 046908

Place : Mumbai
Date : 24th January, 2019
HEXASURE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

As at January 1, 2018

Changes during the year

As at December 31, 2018

Currency : CNY

347,412

347,412

A. Equity Share Capital

B. Other Equity

Balances as at January 1, 2018

Profit for the year
Other comprehensive income
Total comprehensive profit for the year

As at December 31, 2018

Retained Earnings
Total

105,222
105,222
105,222
105,222

Notes 1 to 21 form an integral part of the financial statements

Hexaware Information Technologies (Shanghai) Company Limited

Shyam J Mansukhani
Authorised Signatory

Place : Mumbai
Date : 24th January, 2019

For K.S. Bhatia & Co.
Chartered Accountants
FRN No. 114520W

As per our report of even date

Mumbai
FRN : 114520W
W. No. 046908

Kailash Bhatia
Partner
M. No. 046908

Place : Mumbai
Date : 24th January, 2019
HEXWARE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information
Hexaware Information Technologies (Shanghai) Company Limited incorporated on 15th December 2017. The Company is engaged in providing business process outsourcing / Call center services. It operates in various service lines like Human Resource outsourcing, Healthcare outsourcing, Finance/Accounts Management and Knowledge Process Outsourcing. The Company is the Wholly Owned subsidiary of Hexaware Technologies Ltd India.

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

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

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

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

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Impairment of Assets
Determining whether asset is impaired requires an estimation of the value in use of the cash generating units to which asset has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where actual future cash flows are less than expected, a material impairment loss may arise.

2.3.2 Others
Others areas involving estimates relates to provision for the doubtful debts.

2.4 Revenue Recognition
a) Revenue is measured at fair value of consideration received or receivable.

b) Revenue from business process management arises from unit-priced contracts, time based contracts and cost based projects. Such revenue is recognised as services are performed. It is billed in accordance with the specific terms of the contract with the client.

Amount received or billed in advance of services performed are recorded as unearned revenue.

Unbilled services represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

c) Revenue is reported net of discount and indirect taxes.

d) Interest income is recognised using effective interest rate method.

2.5 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Finance Lease
Assets taken on finance lease are capitalised at lower of present value of the minimum lease payments and the fair value and liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability so as to achieve a constant rate of interest on the remaining balance of liability.

b) Operating Leases
Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the lease term unless the payment to the lessor are structured to increase in line with expected general inflation.

Furnished and equipped premises leased out under operating lease are capitalised in the books of the Company. Lease income is recognised over the lease term on a straight line basis.
HEXASURE INFORMATION TECHNOLOGIES (SHANGHAI) COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.5 Functional and presentation currency
   a) The functional currency of the Company is Chinese Yuan (CNY).
   b) Foreign currency

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

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

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

The Company contributes to the employee benefit scheme as per the Labour Law Regulations as applicable in China Republic.

b) Short term employee benefit

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

2.8 Taxes on income

Income tax expense comprises of 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 such cases, 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 or substantively enacted tax rates.

2.9 Impairment of assets other than goodwill
   a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

Tangible and Intangible assets

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

2.10 Provisions

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.
2.11 Non derivative financial instruments

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

A. Financial assets and financial liabilities – measurement

(i) Financial assets at amortised cost

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

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

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

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

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

(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.

(v) Financial liabilities

Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

B. Share capital

Equity shares

Incremental costs directly attributable to the issue of equity shares, net of any tax effects, are recognised as a deduction from equity.
3 Recent accounting pronouncements

Ind AS 115 Revenue from the contracts with customers replaces the current standard, Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard provides a single principle based five step model to be applied in all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, cost to fulfill contract and obtaining a contract and various other related matters.

The standard is applicable to the Company with effect from January 1, 2019 to be applied retrospectively in accordance with the transition guidance. The Company is evaluating the impact of its adoption on its financial statements.

4 Trade Receivables (unsecured)

<table>
<thead>
<tr>
<th>Description</th>
<th>Currency: CNY</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considered good</td>
<td></td>
<td>397,511</td>
</tr>
</tbody>
</table>

The Company’s credit period generally ranges from 30-60 days. Allowance for the doubtful debts is made for the debts outstanding for over 180 days unless confirmed by the customer and/or recoverability is considered reasonable. The age wise breakup of trade receivables, net of allowances is given below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Currency: CNY</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Due</td>
<td></td>
<td>397,511</td>
</tr>
<tr>
<td>Due less than 180 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due greater than 180 days</td>
<td></td>
<td>397,511</td>
</tr>
<tr>
<td>Average age (days)</td>
<td></td>
<td>24</td>
</tr>
</tbody>
</table>

5 Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Currency: CNY</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>In current accounts with banks</td>
<td></td>
<td>247,902</td>
</tr>
</tbody>
</table>

6 Other financial asset

<table>
<thead>
<tr>
<th>Description</th>
<th>Currency: CNY</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Deposit for Premises</td>
<td></td>
<td>18,990</td>
</tr>
</tbody>
</table>

7 Other Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Currency: CNY</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Expenses</td>
<td></td>
<td>11,939</td>
</tr>
</tbody>
</table>
8 Equity Share Capital

8.1 Issued, subscribed and paid-up capital

Equity share Capital (10 equity shares of USD 500 each)

8.2 The entire share capital is held by Hexaware Technologies Ltd, the Holding Company

8.3 Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having no par value. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

8.4 Reconciliation of number of shares

Shares outstanding at the beginning of the year

Shares issued during the year

Shares outstanding at the end of the year

9 Other Financial Liabilities

Employee liabilities Payable

10 Other Current Liabilities

Statutory liabilities

Currency: CNY

December 31, 2018

347,412

December 31, 2018

10

66,984

December 31, 2018

22,514
<table>
<thead>
<tr>
<th>11 Other income</th>
<th>120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 Employee benefits expense</th>
<th>204,892</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and allowances</td>
<td>16,880</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>221,372</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13 Operation and Other Expenses</th>
<th>45,801</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents</td>
<td>580</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>2,700</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>80</td>
</tr>
<tr>
<td>Bank and other charges</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Total</td>
<td>48,324</td>
</tr>
</tbody>
</table>
### Financial Instruments

#### 14.1 Financial Instruments by category

The carrying value / fair value of financial instruments by categories is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amortised Cost</th>
<th>Fair value through other comprehensive income</th>
<th>Fair value through Profit and (Loss)</th>
<th>Total carrying / fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>247,002</td>
<td>-</td>
<td>241,902</td>
<td>241,902</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>397,511</td>
<td>-</td>
<td>397,511</td>
<td>397,511</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>18,980</td>
<td>-</td>
<td>18,980</td>
<td>18,980</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>664,333</strong></td>
<td><strong>-</strong></td>
<td><strong>558,473</strong></td>
<td><strong>664,333</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Amortised Cost</th>
<th>Fair value through other comprehensive income</th>
<th>Fair value through Profit and (Loss)</th>
<th>Total carrying / fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>134,200</td>
<td>-</td>
<td>-</td>
<td>134,200</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>66,984</td>
<td>-</td>
<td>-</td>
<td>66,984</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>201,184</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>201,184</strong></td>
</tr>
</tbody>
</table>
Liquidity risk

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

Over the years, the Company has increased its liquidity position by maintaining high cash / bank balances.

As at December 31, 2018, the Company had total cash / bank balances of CNY 247,902 which constitutes approximately 36.66% of total assets. The Company does not have any debt.

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

<table>
<thead>
<tr>
<th>As at December 31, 2018</th>
<th>Less than 1 year</th>
<th>1 - 2 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Payables</td>
<td>134,200</td>
<td>-</td>
<td>134,200</td>
</tr>
<tr>
<td>Other financials liabilities</td>
<td>66,984</td>
<td>-</td>
<td>66,984</td>
</tr>
<tr>
<td></td>
<td>201,184</td>
<td>-</td>
<td>201,184</td>
</tr>
</tbody>
</table>

Interest rate risk

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

15 Earnings per share (EPS)

The components of basic and diluted EPS were as follows:

Net profit after tax (In CNY) 105,222
Weighted average outstanding equity shares considered for basic and diluted EPS (Nos.) 10
Basic and diluted earnings per share (In CNY) 10,522
16 Segments
The Company operates in only one Segment - BPS.

The Company takes on lease office space and accommodation for its employees under various operating leases. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year is CNY 45,680.

The future minimum lease payments and payment profile of the non-cancelable operating leases are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>12,359</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>12,539</td>
</tr>
<tr>
<td>Total</td>
<td>24,898</td>
</tr>
</tbody>
</table>

19 Related Parties Disclosures:

i) Name of Related parties and description of relationship:
   Ultimate Holding Company and its subsidiaries
   Baring Private Equity Asia GP V L.P, Cayman Island (Ultimate holding company [control exists])
   The Baring Asia Private Equity Fund V I.P., Cayman Island
   Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius
   HT Global II Solutions Holdings Limited, Mauritius
   Holding Company (control exists)
   Hexaware Technologies Limited, India
   Fellow subsidiaries
   Hexaware Technologies Inc., USA
   Hexaware Technologies Asia Pacific Pte. Ltd., Singapore
   Guangzhou Hexaware Information Technologies Company Limited.
   Key Management Personnel
   Shyam Mansukhani

ii) Related party transactions

<table>
<thead>
<tr>
<th>Software &amp; Consultancy income</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ended</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Amount</td>
<td>43,139</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recovery cost from</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ended</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Amount</td>
<td>2,586</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reimbursement of cost to</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ended</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Amount</td>
<td>134,000</td>
</tr>
</tbody>
</table>

iii) Outstanding Debtor

<table>
<thead>
<tr>
<th>Trade and other receivables</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ended</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Amount</td>
<td>45,499</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade Payables</th>
<th>Currency : CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ended</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Amount</td>
<td>134,200</td>
</tr>
</tbody>
</table>

Investment by Holding Company

The Company recognized CNY 16,580 for the year ended December 31, 2018 towards social security in the statement of profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

20 Material events after Balance Sheet date

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

21 Approval of the financial statements

The financial statements were approved for issue by the Board of Directors on 24th January, 2019.