

Independent Auditor's Report on Review of the Unaudited Condensed Standalone Interim Financial Statements

The Board of Directors of Hexaware Technologies Limited

Introduction

We have reviewed the accompanying unaudited condensed standalone interim balance sheet of Hexaware Technologies Limited ('the Company') as at 31 March 2020, and the related unaudited condensed standalone interim statement of profit and loss (including other comprehensive income), the unaudited condensed standalone interim statement of changes in equity and the unaudited condensed standalone interim statement of cash flows for the period from 1 January 2020 to 31 March 2020, and other explanatory notes ('Condensed Standalone Interim Financial Statements').

Management is responsible for the preparation and fair presentation of this Condensed Standalone Interim Financial Statements in accordance with Indian Accounting Standard (Ind AS) 34, "*Interim Financial Reporting*", as prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this Condensed Standalone Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Report on Review of the Unaudited Condensed Standalone Interim Financial Statements (*Continued*)

Hexaware Technologies Limited

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone Interim Financial Statements do not present fairly, in all material respects, the state of affairs of the Company as at 31 March 2020, and of its profit and other comprehensive income, changes in equity and its cash flows for the period from 1 January 2020 to 31 March 2020, in accordance with Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting", as prescribed under Section 133 of the Companies Act, 2013.

For B S R & Co. LLP

Chartered Accountants

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

Rajesh Mehra

Partner

Membership No: 103145

UDIN: 20103145AAAAAX9037

Mumbai
29 April 2020

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE BALANCE SHEET

(Rupees Million)

	Notes	As at	As at
		March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,430.67	5,717.85
Capital work-in-progress - Tangible		887.14	871.92
Right-of-use assets	3	3,127.35	-
Other intangible assets	5	94.83	102.90
Financial assets			
- Investments	6A	2,305.84	2,300.49
- Loans-Security deposits	8A	355.19	343.47
- Other financial assets	9A	11.42	58.24
Income tax assets (net)		363.56	380.14
Deferred tax assets (net)	7	1,625.82	1,549.07
Other non-current assets	10A	241.35	777.28
Total non-current assets		14,443.17	12,101.36
Current assets			
Financial assets			
- Trade receivables	11	7,889.61	6,543.12
- Unbilled receivables		1,919.16	1,947.56
- Cash and cash equivalents	12A	987.28	670.22
- Other bank balances	12B	149.20	149.11
- Loans-Security deposits	8B	3.38	1.82
- Other financial assets	9B	605.61	740.63
Other current assets	10B	401.97	439.64
Total current assets		11,956.21	10,492.10
Total assets		26,399.38	22,593.46
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	596.77	596.77
Other equity		19,475.67	18,916.32
Total equity		20,072.44	19,513.09
Non-current liabilities			
Financial liabilities			
- Lease liabilities		2,383.20	-
- Other financial liabilities	14A	275.69	34.75
Other non-current Liabilities	16A	18.21	16.90
Provisions - Employee benefit obligations towards gratuity		519.06	410.89
Total non-current liabilities		3,196.16	462.54
Current liabilities			
Financial liabilities			
- Lease Liabilities		151.78	-
- Trade payables	15	1,010.11	886.26
- Other financial liabilities	14B	1,321.26	1,078.29
Other current liabilities	16B	294.45	298.80
Provisions			
-Employee benefit obligations towards compensated absences and others		292.74	271.84
Income tax liabilities (net)		60.44	82.64
Total current liabilities		3,130.78	2,617.83
Total liabilities		6,326.94	3,080.37
Total equity and liabilities		26,399.38	22,593.46

The accompanying notes 1 to 30 form an integral part of the condensed interim standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
(CIN : L72900MH1992PLC069662)

Rajesh Mehra
(Partner)

Membership No : 103145
Mumbai
April 29th, 2020

Atul K Nishar
(Director)
(DIN 00307229)
Mumbai
April 29, 2020

R. Srikrishna
(CEO & Executive
Director)
(DIN-03160121)
New Jersey
April 29, 2020

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE STATEMENT OF PROFIT AND LOSS

(Rupees Million)

	Notes	For quarter ended	
		March 31, 2020 (Unaudited)	March 31, 2019 (Audited)
INCOME			
Revenue from operations	17	5,688.76	5,114.75
Exchange rate difference (net)		318.84	(32.16)
Other Income	18	7.89	5.16
Total income		6,015.49	5,087.75
EXPENSES			
Software and development expenses	19	235.38	462.72
Employee benefits expense	20	3,434.62	2,566.00
Operation and other expenses	21	545.51	541.76
Finance costs	22	55.93	0.07
Depreciation and amortisation expense	4,5	275.03	125.73
Total expenses		4,546.47	3,696.28
Profit before tax		1,469.02	1,391.47
Tax expense			
Current tax		266.95	289.17
Deferred tax charge/ (credit)		5.77	(83.84)
		272.72	205.33
Profit for the Period		1,196.30	1,186.14
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(60.33)	29.53
Income tax relating to items that will not be reclassified to profit or loss		9.87	(2.67)
ii) Items that will be reclassified to profit or loss			
Net change in fair value of cash flow hedges		(596.89)	345.02
Income tax relating to items that will be reclassified to profit or loss		56.46	(73.03)
Total other comprehensive income / (loss)		(590.89)	298.85
Total comprehensive income for the period		605.41	1,484.99
Earnings per share (in Rupees)			
Basic		4.01	3.99
Diluted	24	3.96	3.92

The accompanying notes 1 to 30 form an integral part of the condensed interim standalone financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors
(CIN : L72900MH1992PLC069662)

Rajesh Mehra
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New Jersey

April 29, 2020

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2020

A. Equity Share Capital

(Rupees Million)

	As at March 31, 2020	As at March 31, 2019
	(Unaudited)	(Audited)
Outstanding at the beginning of the Period	596.77	594.72
Issued during the Period	-	0.69
Outstanding at the end of the Period	596.77	595.41

B. Other Equity

(Rupees Million)

(Unaudited)	Reserves and Surplus								Other comprehensive income	Total
	Share application money pending allotment	Securities Premium	Amalgamation Reserve	Special Economic Zone Re- investment Reserve	Share options outstanding account	Capital Redemption Reserve	General reserve	Retained Earnings	Cashflow Hedge Reserve (CFHR)	
Balances as at December 31, 2019	-	3,846.22	4.38	-	807.77	11.39	2,117.71	11,902.79	226.06	18,916.32
Transition impact of Ind AS 116 (refer note 3)	-	-	-	-	-	-	-	(126.45)	-	(126.45)
Restated balance as at January 1, 2020	-	3,846.22	4.38	-	807.77	11.39	2,117.71	11,776.34	226.06	18,789.87
Profit for the period	-	-	-	-	-	-	-	1,196.30	-	1,196.30
Other comprehensive income / (loss)	-	-	-	-	-	-	-	(50.46)	(540.43)	(590.89)
Total comprehensive income for the period	-	-	-	-	-	-	-	1,145.84	(540.43)	605.41
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-
Transfer from special economic zone reserve	-	-	-	(35.36)	-	-	-	35.36	-	-
Transfer to special economic zone reserve	-	-	-	35.36	-	-	-	(35.36)	-	-
Received / transferred on exercise of stock options	0.42	-	-	-	-	-	-	-	-	0.42
Compensation related to employee share based payments	-	-	-	-	79.97	-	-	-	-	79.97
As at March 31, 2020	0.42	3,846.22	4.38	-	887.74	11.39	2,117.71	12,922.18	(314.37)	19,475.67
(Audited)										
Balances as at January 1, 2019	0.42	3,635.69	4.38	476.46	991.75	11.39	2,117.71	9,553.14	(14.86)	16,776.08
Profit for the period	-	-	-	-	-	-	-	1,186.14	-	1,186.14
Other comprehensive income / (loss)	-	-	-	-	-	-	-	26.86	271.99	298.85
Total comprehensive income for the period	-	-	-	-	-	-	-	1,213.00	271.99	1,484.99
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(897.24)	-	897.24
Transfer from special economic zone reserve	-	-	-	(153.87)	-	-	-	153.87	-	-
Transfer to special economic zone reserve	-	-	-	94.60	-	-	-	(94.60)	-	-
Received / transferred on exercise of stock options	(0.42)	72.03	-	-	(72.03)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	43.03	-	-	-	-	43.03
As at March 31, 2019	-	3,707.72	4.38	417.19	962.75	11.39	2,117.71	9,928.17	257.13	17,406.44

Description of component of Other equity

- Securities premium is used to record the premium received on issue of shares to be utilized in accordance with the provisions of the Companies Act, 2013.
- Capital reserve represent reserve on amalgamation
- Capital redemption reserve is created on buy-back of the equity shares in accordance with the provisions of the Act.
- The Special Economic Zone Re-Investment Reserve has been created out of profit of eligible SEZ units as per provisions of section 10AA (1)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery.
- Share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.
- General reserve represents appropriation of profits by the Company.
- Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 30 form an integral part of the condensed interim standalone financial statements
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
(CIN : L72900MH1992PLC069662)

Rajesh Mehra
(Partner)
Membership No : 103145
Mumbai
April 29th, 2020

Atul K Nishar
(Director)
(DIN 00307229)
Mumbai
April 29, 2020

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)
New Jersey
April 29, 2020

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

(Rupees Million)

	<u>For quarter ended</u>	
	<u>March 31, 2020</u> (Unaudited)	<u>March 31, 2019</u> (Audited)
Cash Flow from operating activities		
Net Profit before tax	1,469.02	1,391.47
Adjustments for:		
Depreciation and amortization expense	275.03	125.73
Employee stock option compensation cost	18.98	29.78
Interest income	(5.43)	(0.72)
Provision for doubtful accounts (net of writeback)	13.08	8.96
Debts and advances written off	0.16	0.00
Dividend from current investments	(0.58)	(1.30)
Loss/(Profit) on sale of property, plant and equipments (PPE) and intangible assets (net)	(0.49)	(1.30)
Exchange rate difference (net) - unrealised	(3.43)	9.48
Finance Costs	55.93	0.07
Operating profit before working capital changes	1,822.27	1,562.17
Adjustments for:		
Trade receivables and other assets	(637.85)	275.62
Trade payables and other liabilities	(202.95)	(309.53)
Cash generated from operations	981.47	1,528.26
Direct taxes paid (net)	(288.76)	(256.30)
Net cash from operating activities	692.71	1,271.96
Cash flow from investing activities		
Purchase of PPE, Intangible assets and CWIP including advances	(306.65)	(223.44)
Interest received	5.48	(0.01)
Purchase of current investments	(300.58)	(383.83)
Proceeds from sale/ redemption of current Investments	300.58	342.50
Investment in subsidiaries	(5.35)	-
Dividend from current investments	0.58	1.30
Proceeds from sale of PPE	5.75	1.54
Net cash used in investing activities	(300.19)	(261.94)
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	0.42	0.27
Payment of lease liabilities	(78.73)	-
Interest paid	(0.57)	(0.07)
Dividend paid (including corporate dividend tax)	(0.01)	(897.24)
Net cash used in financing activities	(78.89)	(897.04)
Net increase / (decrease) in cash and cash equivalents	313.63	112.98
Cash and cash equivalents at the beginning of the Period	670.22	1,320.47
Unrealised gain on foreign currency cash & cash equivalents	3.43	(9.48)
Cash and cash equivalents at the end of the Period (Refer note 12A)	987.28	1,423.97

The accompanying notes 1 to 30 form an integral part of the condensed interim standalone financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

(CIN : L72900MH1992PLC069662)

Rajesh Mehra
(Partner)

Membership No : 103145
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Atul K Nishar
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April 29, 2020

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(CEO & Executive
Director)
(DIN-03160121)
New Jersey
April 29, 2020

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

1 Corporate Information

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

2 Statement of compliance

The condensed interim Standalone financial statements have been prepared in accordance with generally accepted accounting principles in India including Ind AS 34 Interim Financial Reporting and using the same accounting policies as followed in the audited financial statements for the year ended on December 31, 2019 except in relation to lease as discussed in note 3 below. These condensed interim financial statements do not include all of the information required in annual financial statements and should be read in conjunction with the company's financial statements for the year ended December 31, 2019.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

3.1 Leases

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

Company as a lessee

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

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

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

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

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

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

Company as a lessor

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

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

3.1 Leases (cont'd)

Transition to Ind AS 116

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

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

Refer note 2.5 – Significant accounting policies – Leases in the Annual report of the Company for the year ended December 31, 2019, for the policy as per Ind AS 17.

In adopting Ind AS 116, the Company has adopted following practical expedient

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

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

3.1 Leases (cont'd)

On account of the aforesaid change, the Operations and other expenses is lower by Rs. 81.98 Million, Depreciation and amortization is higher by Rs. 70.19 Million and Finance costs is higher by Rs. 55.36 million for the quarter ended March 31, 2020.

Further, a right-of-use asset of Rs 2,942.78 Million and a corresponding lease liability of Rs 2,558.35 Million has been recognized. In respect of leases that were classified as finance leases, applying Ind AS 17 an amount of Rs 254.76 Million has been reclassified from property, plant and equipment to right-of-use asset. Prepaid rent on leasehold land, which were earlier classified under Other assets have been reclassified to right-of-use assets by Rs. 518.55 Million and an amount of Rs 0.17 Million in other current financial liabilities has been adjusted against right-of-use asset. The cumulative effect on transition in retained earnings is Rs. 126.45 Million (net of deferred tax of Rs.26.05 Million). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities except for short term leases where practical expedient has been applied. The weighted average incremental borrowing rate of 9.04% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at December 31, 2019 compared to the lease liability as accounted as at January 1, 2020 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

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

	<u>Office premises</u>	<u>Leasehold Land</u>	<u>Total</u>
Unaudited			
<u>COST</u>			
At January 1, 2020	2,769.69	518.55	3,288.24
Additions	-	-	-
Disposals / adjustments	-	-	-
Translation exchange difference	-	-	-
At March 31, 2020	<u>2,769.69</u>	<u>518.55</u>	<u>3,288.24</u>
<u>ACCUMULATED DEPRECIATION</u>			
At January 1, 2020	-	-	-
Charge for the period	159.34	1.55	160.89
Disposals / adjustments	-	-	-
Translation exchange difference	-	-	-
At March 31, 2020	<u>159.34</u>	<u>1.55</u>	<u>160.89</u>
<u>NET CARRYING AMOUNT</u>			
At March 31, 2020	<u>2,610.35</u>	<u>517.00</u>	<u>3,127.35</u>

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

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

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

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

The above amendments was effective from the annual periods beginning January 1, 2020. The Company does not have any impact due to this amendment.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

4 Property, Plant and Equipment (PPE)

(Rupees Million)

PPE consist of the following :

	<u>Freehold Land</u>	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Office Equipments</u>	<u>Leasehold Improvements</u>	<u>Total</u>
(Unaudited)								
<u>COST</u>								
At December 31, 2019	0.15	3,919.41	2,780.17	1,068.88	18.57	1,832.87	4.97	9,625.02
Transfer to ROU	-	(345.47)	-	-	-	-	-	(345.47)
At January 1, 2020	0.15	3,573.94	2,780.17	1,068.88	18.57	1,832.87	4.97	9,279.55
Additions	-	-	82.33	18.40	-	24.06	33.21	158.00
(Disposals) / Adjustments	-	4.40	(5.41)	(23.77)	-	6.52	-	(18.26)
At March 31, 2020	<u>0.15</u>	<u>3,578.34</u>	<u>2,857.09</u>	<u>1,063.51</u>	<u>18.57</u>	<u>1,863.45</u>	<u>38.18</u>	<u>9,419.29</u>
<u>ACCUMULATED DEPRECIATION</u>								
At December 31, 2019	-	421.35	1,869.25	558.84	13.95	1,038.82	4.96	3,907.17
Transfer to ROU	-	(90.71)	-	-	-	-	-	(90.71)
At January 1, 2020	-	330.64	1,869.25	558.84	13.95	1,038.82	4.96	3,816.46
Charge for the period	-	21.44	83.89	12.75	0.45	63.33	3.02	184.88
(Disposals) / adjustments	-	-	(8.10)	(0.18)	-	(4.44)	-	(12.72)
At March 31, 2020	<u>-</u>	<u>352.08</u>	<u>1,945.04</u>	<u>571.41</u>	<u>14.40</u>	<u>1,097.71</u>	<u>7.98</u>	<u>3,988.62</u>
<u>NET CARRYING AMOUNT</u>								
At March 31, 2020	<u>0.15</u>	<u>3,226.26</u>	<u>912.05</u>	<u>492.10</u>	<u>4.17</u>	<u>765.74</u>	<u>30.20</u>	<u>5,430.67</u>
(Audited)								
<u>COST</u>								
At January 1, 2019	0.15	3,036.02	2,117.59	685.98	16.93	1,239.79	4.97	7,101.43
Additions	-	886.26	704.49	397.55	2.57	597.43	-	2,588.30
(Disposals) / adjustments	-	(2.87)	(41.91)	(14.65)	(0.93)	(4.35)	-	(64.71)
At December 31, 2019	<u>0.15</u>	<u>3,919.41</u>	<u>2,780.17</u>	<u>1,068.88</u>	<u>18.57</u>	<u>1,832.87</u>	<u>4.97</u>	<u>9,625.02</u>
<u>ACCUMULATED DEPRECIATION</u>								
At January 1, 2019	-	363.85	1,633.88	498.21	12.05	906.31	4.96	3,419.26
Charge for the year	-	57.92	275.47	75.28	2.83	136.48	-	547.98
(Disposals) / adjustments	-	(0.42)	(40.10)	(14.65)	(0.93)	(3.97)	-	(60.07)
At December 31, 2019	<u>-</u>	<u>421.35</u>	<u>1,869.25</u>	<u>558.84</u>	<u>13.95</u>	<u>1,038.82</u>	<u>4.96</u>	<u>3,907.17</u>
<u>NET CARRYING AMOUNT</u>								
At December 31, 2019	<u>0.15</u>	<u>3,498.06</u>	<u>910.92</u>	<u>510.04</u>	<u>4.62</u>	<u>794.05</u>	<u>0.01</u>	<u>5,717.85</u>

Note:

- i) Plant and machinery includes computer systems.
- ii) Buildings as at December 31, 2019 includes office premises taken on finance lease of gross value of Rs. 345.47 million and net carrying value of Rs. 254.76 million

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

(Rupees Million)

5 Other Intangible assets

Intangible assets consist of the following :

	Software Licences	Customer Contracts/Rel ations	Total
(Unaudited)			
<u>COST</u>			
At January 1, 2020	633.87	21.02	654.89
Additions	11.59	-	11.59
At March 31, 2020	<u>645.83</u>	<u>21.02</u>	<u>666.85</u>
<u>ACCUMULATED AMORTISATION</u>			
At January 1, 2020	548.49	3.50	551.99
Amortisation for the Period	14.65	5.29	19.94
At March 31, 2020	<u>563.23</u>	<u>8.79</u>	<u>572.02</u>
<u>NET CARRYING AMOUNT</u>			
At March 31, 2020	<u>82.60</u>	<u>12.23</u>	<u>94.83</u>
(Audited)			
<u>COST</u>			
At January 1, 2019	582.93	-	582.93
Additions	50.94	21.02	71.96
At December 31, 2019	<u>633.87</u>	<u>21.02</u>	<u>654.89</u>
<u>ACCUMULATED AMORTISATION</u>			
At January 1, 2019	490.06	-	490.06
Amortisation for the year	58.43	3.50	61.93
At December 31, 2019	<u>548.49</u>	<u>3.50</u>	<u>551.99</u>
<u>NET CARRYING AMOUNT</u>			
At December 31, 2019	<u>85.38</u>	<u>17.52</u>	<u>102.90</u>

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

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

	(Rupees Million)	
	As at	As at
A Non current investments in equity shares (unquoted)	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<u>Investments in equity instruments of subsidiaries (at cost)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68
2,167,000 shares of GBP 1/- each fully paid up in Hexaware Technologies UK Ltd.	154.64	154.64
500,000 shares of Singapore \$ 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12.48	12.48
3,618 shares of face value Euro 50/- each fully paid up in Hexaware Technologies GmbH., Germany	7.57	7.57
1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73
1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29.42	29.42
40 shares at no par value in Guangzhou Hexaware Information Technologies Company Limited, China ⁽¹⁾	2.00	2.00
Entire Share Capital in Hexaware Technologies Limited Liability Company, Russia ⁽²⁾	26.95	26.95
45,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	8.03	8.03
1,945,000 shares of HKD 1/- each in Hexaware Technologies Hong Kong Limited, Hong Kong	16.13	16.13
500 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden	0.40	0.40
25 shares of USD 5000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	9.06	3.71
10,292 Shares of INR 10/- each in Mobyquity Softech Pvt Ltd	401.17	401.17
	<u>2,301.26</u>	<u>2,295.91</u>
<u>Other Investments</u>		
<u>At fair value through other comprehensive income</u>		
240,958 equity shares of Rs. 10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	<u>2,305.84</u>	<u>2,300.49</u>

Notes:

- 1 Net of provision for impairment in the value of investment of Rs.11.14 Million (December 31, 2019 Rs. 11.14 Million)
- 2 Net of provision for impairment in the value of investment of Rs.121.65 Million (December 31, 2019 Rs. 121.65 Million)

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

7	Income taxes	(Rupees Million)	
	Components of deferred taxes:	<u>March 31, 2020</u> <u>(Unaudited)</u>	<u>December 31, 2019</u> <u>(Audited)</u>
	Deferred tax assets		
	Credit loss on trade receivables	28.51	22.53
	Employee benefit obligations	114.56	100.04
	Provision for severance pay	0.01	0.01
	Minimum alternate tax credit carry forward	1,606.91	1,636.12
	Unrealised loss on cash flow hedges	96.63	40.17
	Leases	37.91	-
	Total	<u>1,884.53</u>	<u>1,798.87</u>
	Deferred tax liabilities		
	Depreciation	258.71	249.80
	Total	<u>258.71</u>	<u>249.80</u>
	Net deferred tax asset	<u>1,625.82</u>	<u>1,549.07</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

	As at	(Rupees Million) As at
	<u>March 31, 2020</u> (Unaudited)	<u>December 31, 2019</u> (Audited)
8 Loans-Security deposits(Unsecured, considered good)		
A <u>Non-current</u>		
Security deposits for premises and others (a)	355.19	343.47
B <u>Current</u>		
Security deposits for premises and others	3.38	1.82
(a) Exclude deposits aggregating Rs. 34.56 million and Rs. 34.56 million provided as doubtful of recovery basis the expected credit loss model as of March 31, 2020 and December 31, 2019 respectively.		
9 Other financial assets (unsecured,considered good)		
A <u>Non-current</u>		
Interest accrued on bank deposits	0.21	0.26
Foreign currency derivative assets	3.90	49.90
Restricted bank balances (a)	7.31	8.08
	<u>11.42</u>	<u>58.24</u>
(a) Restriction on account of bank deposits held as margin money		
B <u>Current</u>		
Interest accrued on bank deposits	0.22	0.22
Foreign currency derivative assets	87.04	228.49
Others receivables from related parties (Refer note no. 25)	384.91	378.52
Employee advances	133.44	133.40
	<u>605.61</u>	<u>740.63</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

10 Other assets (unsecured)		
A <u>Non-current</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Capital advances	13.10	17.41
Prepaid expenses relating to leasehold land (Refer note 3.1)	-	527.64
Other prepaid expenses	14.67	12.56
Deferred contract cost	82.46	95.11
Indirect taxes recoverable	131.12	124.56
	<u>241.35</u>	<u>777.28</u>
B <u>Current</u>		
Prepaid expenses	235.88	277.39
Deferred contract cost	59.62	59.62
Indirect taxes recoverable	82.48	84.10
Others	23.99	18.53
	<u>401.97</u>	<u>439.64</u>
11 Trade Receivables (unsecured)		
Considered good	7,889.61	6,543.12
Considered doubtful	59.79	46.31
Less: Credit impaired	(59.79)	(46.31)
	<u>7,889.61</u>	<u>6,543.12</u>
12 Cash and bank balances:		
A Cash and cash equivalents		
Remittance in transit	282.08	75.61
In current accounts with banks	686.51	554.16
Bank deposit accounts with less than 3 months maturity	18.69	40.45
Unclaimed dividend accounts	149.20	149.11
Margin money with banks	7.31	8.08
	<u>1,143.79</u>	<u>827.41</u>
Less: Restricted bank balances	(156.51)	(157.19)
	<u>987.28</u>	<u>670.22</u>
B Other bank balances		
Restricted bank balances in respect of unclaimed dividend	149.20	149.11
	<u>149.20</u>	<u>149.11</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

13 Equity Share Capital

	(Rupees Million)	
	<i>(except per share data)</i>	
	As at March 31, 2020 (Unaudited)	As at December 31, 2019 (Audited)
13.1 <u>Authorised capital</u>		
525,000,000 Equity shares of Rs. 2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of Rs.1,421 each	1,563.10	1,563.10
13.2 <u>Issued, subscribed and paid-up capital</u>		
Equity shares of Rs. 2 each fully paid	<u>596.77</u>	<u>596.77</u>
13.3 <u>Reconciliation of number of shares</u>		
Shares outstanding at the beginning of the period	298,384,321	297,360,989
Shares issued during the period	-	1,023,332
Shares bought back during the period	-	-
Shares outstanding at the end of the period	<u>298,384,321</u>	<u>298,384,321</u>

13.4 Rights, preferences and restrictions attached to equity shares

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

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

Name of Shareholder

HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held % of holding	186,318,590 62.44%	186,318,590 62.44%
HDFC Trustee Company Limited	No. of shares held % of holding	20,080,154 6.73%	19,927,531 6.68%

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

13.7 Shares reserved for issue under options

The Company has granted employee stock options under ESOP 2007 and 2008 schemes and restricted stock (RSU's) under the ESOP 2008 and 2015 scheme. Each option / RSU entitles the holder to one equity share of Rs. 2 each. 5,778,430 options/ RSU's were outstanding as on March 31, 2020 (7,824,439 options as on December 31, 2019).

13.8 The dividend per share recognised as distribution to equity shareholders during the period ended March 31, 2020 was Rs.Nil per share (Period ended March 31, 2019 was Rs.2.50 per share and year ended December 31 2019 was Rs.8.50 per share).

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

	<u>As at</u>	<u>As at</u>
	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
14 Other financial liabilities		
A Non-current		
Capital creditors	1.18	1.17
Foreign currency derivative liabilities	272.12	31.40
Accrued expenses	2.39	2.18
	<u>275.69</u>	<u>34.75</u>
B Current		
Unclaimed dividend	149.20	149.11
Capital creditors	223.61	349.77
Employee liabilities	630.80	512.62
Foreign currency derivative liabilities	317.65	66.79
	<u>1,321.26</u>	<u>1,078.29</u>
15 Trade payables		
Trade payables	550.89	350.71
Accrued expenses	459.22	535.55
	<u>1,010.11</u>	<u>886.26</u>
16 Other liabilities		
A Non-Current		
Unearned revenues	18.21	16.90
	<u>18.21</u>	<u>16.90</u>
B Current		
Unearned revenues	20.48	75.78
Statutory liabilities	273.97	223.02
	<u>294.45</u>	<u>298.80</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

17 Revenue disclosures

	<u>For quarter ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019 (Audited)</u>
	<u>(Unaudited)</u>	
17.1 The disaggregated revenue with the customers by contract type:		
Offshore	78.65%	88.07%
Onshore	21.35%	11.93%
Total revenue from operations	100%	100%

17.2 The Company's primary source of revenue is from customers in Americas region (primarily USA) and Europe region. Rupees Million

	<u>For quarter ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019 (Audited)</u>
	<u>(Unaudited)</u>	
Americas	3,770.86	3,233.16
Europe	848.40	684.89
APAC	1,069.50	1,196.70
Total revenue from operations	5,688.76	5,114.75

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

(Rupees Million)

18 Other income	For quarter ended	
	March 31, 2020 (Unaudited)	March 31, 2019 (Audited)
Dividend and guarantee	0.58	1.30
Interest income	5.43	0.72
Profit on sale of PPE (net)	0.49	1.30
Miscellaneous income	1.39	1.84
	<u>7.89</u>	<u>5.16</u>
19 Software and development expenses		
Other Expenses	81.73	57.98
Software expenses *	153.65	404.74
	<u>235.38</u>	<u>462.72</u>
* includes sub- contracting charges	139.91	91.62
20 Employee benefits expense		
Salary and allowances	3,073.77	2,275.00
Contribution to provident and other funds	206.15	152.50
Staff welfare expenses	135.72	108.72
Employee stock option compensation cost	18.98	29.78
	<u>3,434.62</u>	<u>2,566.00</u>
21 Operation and other expenses		
Rent	5.95	42.51
Rates and taxes	9.57	6.48
Travelling and conveyance	80.09	113.35
Electricity charges	67.17	53.00
Communication expenses	49.88	42.23
Repairs and maintenance	124.85	97.61
Printing and stationery	8.44	13.00
Payment to auditors	4.05	3.98
Legal and professional fees	41.64	35.43
Advertisement and business promotion	21.49	28.54
Bank and other charges	2.97	2.15
Directors' sitting fees	0.24	0.40
Insurance charges	7.27	7.23
Debts and advances written off	0.16	-
Provision for doubtful accounts (net of write back)	13.08	8.96
Staff recruitment expenses	32.78	25.27
Service charges	64.49	49.95
Miscellaneous expenses	11.39	11.67
	<u>545.51</u>	<u>541.76</u>
22 Finance costs		
Interest expenses	0.57	0.07
Interest on lease liabilities	55.36	-
	<u>55.93</u>	<u>0.07</u>

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

23 Financial Instruments

(Rupees Million)

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

	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
March 31, 2020 (Unaudited)					
Cash and cash equivalents	987.28	-	-	-	987.28
Other bank balances	149.20	-	-	-	149.20
Trade receivables	7,889.61	-	-	-	7,889.61
Unbilled receivables	1,919.16	-	-	-	1,919.16
Loans-Security deposits	358.57	-	-	-	358.57
Other financial assets	526.09	-	-	90.94	617.03
Investments in equity shares	-	-	4.58	-	4.58
	<u>11,829.91</u>	<u>-</u>	<u>4.58</u>	<u>90.94</u>	<u>11,925.43</u>
Trade payables	1,010.11	-	-	-	1,010.11
Other financial liabilities	1,007.18	-	-	589.77	1,596.95
Lease Liabilities	2,534.98	-	-	-	2,534.98
	<u>4,552.27</u>	<u>-</u>	<u>-</u>	<u>589.77</u>	<u>5,142.04</u>
December 31, 2019 (Audited)					
Cash and cash equivalents	670.22	-	-	-	670.22
Other bank balances	149.11	-	-	-	149.11
Trade receivables	6,543.12	-	-	-	6,543.12
Unbilled receivables	1,947.56	-	-	-	1,947.56
Loans-Security deposits	345.29	-	-	-	345.29
Other financial assets	520.48	-	-	278.39	798.87
Investments in equity shares	-	-	4.58	-	4.58
	<u>10,175.78</u>	<u>-</u>	<u>4.58</u>	<u>278.39</u>	<u>10,458.75</u>
Trade payables	886.26	-	-	-	886.26
Other financial liabilities	1,014.85	-	-	98.19	1,113.04
Lease Liabilities	-	-	-	-	-
	<u>1,901.11</u>	<u>-</u>	<u>-</u>	<u>98.19</u>	<u>1,999.30</u>

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

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

23 Financial Instruments (Cont'd)

23.2 Fair value hierarchy

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

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

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

Level 3 inputs are unobservable inputs for the asset or liability

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

	(Rupees Million)			
<u>March 31, 2020 (Unaudited)</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	90.94	-	90.94
	-	90.94	4.58	95.52
Derivative financial liabilities	-	589.77	-	589.77
	-	589.77	4.58	594.35
<u>December 31, 2019 (Audited)</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	278.39	-	278.39
	-	278.39	4.58	282.97
Derivative financial liabilities	-	98.19	-	98.19
	-	98.19	4.58	102.77

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.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

23 Financial Instruments (cont'd)

23.3 Financial risk management (cont'd)

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:

Currency hedged (Sell contracts)	in Million	
	March 31 2020 (Unaudited)	December 31, 2019 (Audited)
USD	212.17	212.02
Euro	6.60	6.60
GBP	13.48	13.60

The weighted average forward rate for the hedges outstanding as at March 31, 2020 is Rs. 74.85, Rs.89.02 and Rs. 99.14 (As at December 31, 2019 Rs. 74.85, Rs. 89.02 and Rs. 99.14) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

23 Financial Instruments (cont'd)

23.4 Financial risk management (cont'd)

Foreign Currency fluctuations Risk (cont'd)

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

	(Rupees Million)	
	<u>For the period ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at the beginning of the period	226.06	(14.86)
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	82.97	14.80
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	(679.86)	330.22
Less : Deferred tax	56.46	(73.03)
Balance at the end of the Period	<u>(314.37)</u>	<u>257.13</u>

There were no material hedge ineffectiveness for the year ended March 31, 2020 and March 31, 2019.

HEXAWARE TECHNOLOGIES LIMITED**NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS****24 Earnings per share**

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

	For the quarter ended	
	March 31, 2020 (Unaudited)	March 31, 2019 (audited)
Net profit after tax (Rupees Million)	1,196.30	1,186.14
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,384,321	297,650,774
Basic earnings per share (In Rupees)	4.01	3.99
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,384,321	297,650,774
Add : Effect of dilutive issue of stock options (Nos.)	3,630,213	4,559,178
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	302,014,534	302,209,952
Diluted earnings per share (In Rupees)	3.96	3.92
Par value per share	2.00	2.00

25 Related party disclosures

Name of the Related Parties	Country
Ultimate Holding company and its Subsidiaries	
Baring Private Equity Asia GP V. LP (ultimate holding entity) (control exists)	Cayman Island
The Baring Asia Private Equity Fund V, LP	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited	Mauritius
Holding Company (control exists)	
HT Global IT Solutions Holdings Limited	Mauritius
Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Ltd.	United Kingdom
Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Ltd.	Canada
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Guangzhou Hexaware Information Technologies Company Limited	China
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Romania SRL ⁽¹⁾	Romania
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiqity Inc ⁽²⁾	USA
Mobiqity Velocity Solutions, Inc ⁽³⁾	USA
Mobiqity Velocity Cooperative UA ⁽³⁾	Netherland
Mobiqity BV ⁽⁴⁾	Netherland
Morgan Clark BV ⁽⁴⁾	Netherland
Mobiqity Softech Private Limited ⁽⁵⁾	India
Montana Merger Sub Inc. ⁽⁶⁾	USA
Hexaware Technologies South Africa (Pty) Ltd ⁽⁷⁾	South Africa
Associate	
Experis Technology Solutions Pte Ltd ⁽⁸⁾	Singapore
Key Management Personnel (KMP)	
Executive Director and CEO	
Mr. R Srikrishna	
Non-executive directors	
Mr. Atul K Nishar	
Mr. Jimmy Mahtani	
Mr. Kosmas Kalliarekos	
Mr. Dileep Choksi (Retired on October 16, 2019)	
Mr. Bharat Shah (Retired on October 16, 2019)	
Mr. P R Chandrasekar	
Ms. Meera Shankar (Retired on April 10, 2020)	
Christian Oecking (Retired on June 25, 2019)	
Basab Pradhan (Retired on June 8, 2019)	
Milind Shripad Sarwate (w.e.f. April 25 2020)	
Ms. Madhu Khatri (w.e.f. April 25 2020)	

Notes:

- Subsidiary of Hexaware Technologies UK Ltd.
- Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Inc.
- Subsidiary of Mobiqity Inc.
- Subsidiary of Mobiqity Velocity Cooperative UA
- Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Limited
- Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiqity Inc, on June 13, 2019
- Formed on November 25, 2019, subsidiary of Hexaware Technologies UK Ltd.
- Associate of Hexaware Technologies Asia Pacific Pte Ltd .

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

25. Related party disclosures (Cont'd)

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

Nature of transactions	Name of the Related party and Relationship	For the Quarter ended	
		March 31, 2020 (Unaudited)	March 31, 2019 (Audited)
Investment made	Subsidiaries Hexaware Information Technologies (Shanghai) Company Limited	5.35	-
		5.35	-
Software and consultancy income	Subsidiaries Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Others	1,110.97	2,310.44
		627.09	513.46
		180.76	137.63
		1,918.82	2,961.53
	Associate Experis Technology Solutions Pte Ltd	38.69	38.09
Software and development expenses - subcontracting charges	Subsidiaries Hexaware Technologies Inc. Others	93.79	22.08
		10.99	-
		104.78	22.08
Reimbursement of cost to	Subsidiaries Hexaware Technologies UK Ltd. Hexaware Technologies Inc. Others	3.70	4.07
		-	4.56
		0.16	0.05
		3.86	8.68
Recovery of cost from	Subsidiaries Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Mobiqity Inc. Others	101.48	108.75
		84.46	87.82
		31.30	-
		22.08	23.90
		239.32	220.47
Corporate Guarantee Charges	Subsidiaries Hexaware Technologies Inc.	4.86	-
		4.86	-
Remuneration to KMP	Short term employee benefits Post employee benefits Share based payment Commission and other benefits to non-executive directors	1.45	1.12
		0.04	0.03
		13.43	13.06
		4.02	10.77
		18.94	24.98

Notes

Provision is made for the commission for the period ended March 31, 2020, payment of which is subject to adequacy of profits to be determined annually.

Outstanding Balances

Name of the Related party and Relationship	As at March 31, 2020 (Unaudited)	As at December 31, 2019 (Audited)
Subsidiaries		
Investment in equity (Including share application money) (Refer note no 7A)	2,301.26	2,295.91
Trade and other receivable		
- Hexaware Technologies Inc	4,550.15	5,137.53
- Hexaware Technologies UK Ltd	1,228.25	900.60
- Others	283.06	101.64
	6,061.46	6,139.77
Trade payable - towards services and reimbursement of cost		
- Hexaware Technologies Inc	175.42	103.78
- Hexaware Technologies UK Ltd	40.73	22.59
- Others	22.11	9.53
	238.26	135.90
Corporate Gaurantee		
- Hexaware Technologies Inc	8,398.82	7,923.74
	8,398.82	7,923.74
Trade receivable from Associate	56.67	57.67
Payable to / Provision for KMP's	15.16	16.52

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

26 Segments

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

27 Contingent liabilities and commitments

27.1 Contingent liabilities

- a. Claims not acknowledged as debt amounts to Rs. 28.14 million (Rs. 28.14 million as on December 31, 2019), being a claim from landlord of a premise occupied by the Company in an earlier year. The Company is confident of successfully contesting the aforesaid matter and does not expect any outflow on this count.
- b. Claims for taxes on income where Company is in appeal
Income tax demands of Rs. 9.59 million (Rs. 9.59 million as on December 31, 2019) have been raised in respect of assessments completed in earlier year, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merit, expects favourable outcome. Accordingly, no provision against such demand is considered necessary.

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

- 27.2 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year 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 accounts.

28 Material events after Balance Sheet date

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

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

30 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on April 29, 2020. Figures for quarter ended March 31, 2020 are 'unaudited' and figures for quarter ended March 31, 2019 and as at December 31, 2019 are 'audited'

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
(CIN : L72900MH1992PLC069662)

Rajesh Mehra
(Partner)
Membership No : 103145
Mumbai
April 29th, 2020

Atul K Nishar
(Director)
(DIN 00307229)
Mumbai
April 29, 2020

R. Srikrishna
(CEO & Executive
Director)
(DIN-03160121)
New Jersey
April 29, 2020