THE FUTURE IS IN THE CLOUD

HEXAWARE

HEXAWARE TECHNOLOGIES LIMITED

ANNUAL REPORT 2020

Content Index

Capital-wise Highlights

Financial Capital

Funds available to us, including debt, equity and reinvestments, to support future business activities and use as inputs in other capitals to create value over time.

Value created in 2020

Economic value added
62,621*

EBITDA before RSU cost
10,937*

Net cash and bank balances
10,379*

Read more on **page 70 to 75**

*In ₹ million

Manufactured Capital

Our tangible infrastructure (offices across the globe and IT and telecommunication hardware) required for the smooth functioning of our operations and for providing clients with quality service.

Capex investments
736*

Read more on **page 12**

Human Capital

Our people and their diverse skillset, experience and industry knowledge, along with their safety and well-being.

New hires
6,747

Read more on **page 42 to 45**

Intellectual Capital

Our knowledge base, which includes our intellectual properties, thought leadership, trademarks, patents, copyrights and solutions developed through R&D.

Value created in 2020

IP copyrights
26

Whitepapers
110

Read more on **page 67**

Social and Relationship Capital

Our relationships with our stakeholders – customers, suppliers, investors, the government and the society, among others.

CSR beneficiaries
35,496

New customers added
55

Read more on **page 46 & 47**

Natural Capital

Natural resources such as water, land and energy, which we either utilise or which are impacted by our operations.

Reduction in energy consumption
43%

Reduction in water consumption
34%

Read more on **page 40 & 41**

THE FUTURE IS IN THE CLOUD

The 'Cloud' has emerged as a harbinger of holistic transformation. Businesses are increasingly migrating to the Cloud to increase productivity, improve efficiency and accelerate business transformation. With rapidly evolving behaviour patterns, organisations are creating digital capabilities to store, manage and process data in real time to deliver immersive experiences to their customers.

However, migration to the Cloud is a complex journey. At Hexaware Technologies Limited (Hexaware), we are enabling organisations to seamlessly transition from the new normal to the next, boosting their resilience, relevance and growth. Leveraging the power of big data, Artificial Intelligence (AI) and Robotic Process Automation (RPA), we have created three unique platforms to transform customer experiences, while generating substantial cost savings that can be reinvested in strengthening the core business.

Vision

To amplify human potential using digital technologies

Customer Requirements

- Persistent Efficiency
- Digital Transformation
- End-customer Experience

Our Strategies

Automate Everything™

We help organisations imbibe automation as a crucial component for every aspect such as customer experience, infrastructure, business processes, application, testing, and data.

Cloudify Everything™

Cloudify Everything™ is our outcome-driven strategy to enable organisations to reap the benefits of cloud transformation using automation, managed services, blueprint templates for building cloud architectures and ringing in cultural change.

Transform Customer Experiences™

We work relentlessly to offer superior solutions through the Transform Customer Experiences™ strategy, with an aim to help our clients adopt customer intimacy, transform their end customers' experiences and deliver consistently to make it their competitive advantage.

Platforms

tensai™ | AMAZE™ | mobiquity

Our Foundation

- Focused approach
- Domain experience
- Diverse segments
- Performance-oriented culture
- Strong leadership
- Skilled professionals
- Strong financials

Read more about our strengths on **page 10 & 11**

Our three-pronged strategy – Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™ – is aimed at fast-tracking enterprises into the digital era. This strategy, supported by our AI and microservice offerings, helps our customers to automate business processes, accelerate cloud migration and amplify customer experience transformation.

We aim at solving complex business issues by combining human creativity and intellect with the power of pervasive data, insights-driven algorithm and cloud computing.

Automate with tensai

Tensai™ is our end-to-end automation platform built using open-source components.

How does Tensai™ benefit clients?

- Ability to scale up and run test cases any number of times
- Substantial effort reduction
- Improved accuracy leading to customer satisfaction
- Annual cost savings

15+
Tensai™ projects successfully executed

Case study

Automation, accuracy, savings

A leading Japan-based global distribution system connectivity provider needed to reduce their process turnaround time, expedite the release process and minimise human processing errors. We offered them our proprietary automation platform, Tensai™. Using RPA and screen scraping techniques, Tensai™ provided automation benefits to the client while facilitating quicker release of enhancements and new features with zero upfront investment for licences. It also offered 100% accuracy in reading data/screen scrape on the mainframe emulator screen. Apart from annual saving of around 12%, the effort required was reduced by 50%.

Accelerate with AMAZE™

Our AMAZE™ suite of offerings supports all the major stages of the cloud transformation process and helps the customer transition to cloud faster at a substantially lower cost.

How does AMAZE™ benefit clients?

- Reduces time across all stages
- Makes it possible to scan, review and re-factor millions of lines of code with high efficiency and drastically reduced timelines
- Ensures zero impact on business functionality
- Offers code transformation from legacy technology to new technology
- High flexibility for customisation

20+
Active projects under AMAZE™ platform as on December 31, 2020

Case study

AMAZEing turnaround

One of the large banks in the US with global operations was looking to adopt and scale to cloud. One of their primary concerns was a complex Java web application that was developed 12 years ago and was mission-critical for the business. The unavailability of SMEs who developed the application hindered the migration. We proposed AMAZE™, which is primarily designed for Java and .Net applications. The migration was completed in just six weeks with around 50% savings in implementation cost and ~50% reduction in total cost of operation.

Amplify with mobiquity

Mobiquity combines the best of human-focused design and data-driven technology, helping our customers drive meaning for their business and relevance for their customers.

How does Mobiquity benefit clients?

- Provides solutions that help in transforming customer experience
- Holistic offerings around commerce management, content and creative production, marketing analytics and measurement services and machine learning driven optimisation
- Provides shoppable experience and personalisation
- Helps in engineering transformation

63+
Customer experience transformation projects delivered

Case study

A solution in the nick of time

A regional chain of convenience stores and gas stations in the US engaged Mobiquity to evolve its app to include a best-in-class Curbside Pick-up experience (a user-friendly journey through order placement, payment and pick-up). Mobiquity devised an extensive model that would define, streamline and optimise their innovation processes. We were able to quickly merge the prototype into the existing codebase and make Curbside Pick-up available to all applicable stores. This solution comes right in the nick of time as consumers look for safe, contactless options for shopping.

Corporate Identity

Delivering solutions for digital transformation

Hexaware is a fast-growing next-generation, automation-led IT and consulting services provider. Our digital offerings help clients across diverse sectors use cutting-edge technology to amplify customer experience.

Today, we provide customised and innovative solutions to our customers across the globe using 160+ proprietary tools and accelerators. Our complex technology solutions and services are powered by Bottom Up Disruption (BUD). The unique platform harnesses the creativity and innovative potential of our employees at the grassroots level and brings them to reality.

Vision

To amplify human potential using digital technologies

Mission

To transform how IT services are delivered and to be the first IT services company in the world where half the workforce is digital

Values

Disruptive

Highly Passionate

Cool

Fearless Attitude

Anchored in the Past

Key facts

277 Customer base	**30+** Country presence	**37** Offices across locations
19,833 Hexaware team strength	**8** Strategic alliances and partnerships	**26** IP copyrights

As on December 31, 2020

Recognised for our efforts

Honours at the Global Training & Development Leadership Awards 2021

Hexaware ranks No. 1 for 'Business Understanding', Cloud Capability & Account Management Quality and for Contractual Flexibility in Whitelane's latest IT Sourcing Study

Outsourcing Innovation & Strategic Enabler of the Year 2020

Information Technology Outsourcing

- Named a Leader in AIOps for Mid Market in the ISG Provider Lens™ Intelligent Automation – Solutions & Services 2020 US Quadrant Report
- Named a Leader in Managed Service Archetype (Mid-Sized Deal Focus) in the ISG Provider Lens™ Next-Gen Private/Hybrid Cloud – Data Center Services & Solutions 2020 Archetype Study
- Named a Leader in Application Maintenance Services – Midmarket/ Niche in the ISG Provider Lens™ Next-Gen Application Development & Maintenance Services 2020 US Quadrant Report

Business Process Services

- Profiled in Gartner's Competitive Landscape: Customer Management BPO, October 2020
- Named a Leader in the Automation Embracer Archetype in the ISG Provider Lens™ Contact Center – Customer Experience Services 2020
- Named a Leader in the CX Evangelist Archetype in the ISG Provider Lens™ Contact Center – Customer Experience Services 2020

Cloud

- Named a Leader in Consulting & Transformational Services for Midmarket in the ISG Provider Lens™ Public Cloud – Solutions and Service Partners 2020
- Named a Leader in Consulting Services in the ISG Provider Lens™ 2020 AWS Ecosystem Partners
- Profiled in the HFS Market Analysis: Disruptive Hyperscale Cloud Service Providers Report

Customer Experience Transformation

- Named a Leader in Digital Customer Experience Services in the ISG Provider Lens™ Digital Business – Solutions and Service Partners 2020
- Named a Leader in Digital Backbone Managed Services – Midmarket in the ISG Provider Lens™ Digital Business – Solutions and Service Providers 2019-20
- Profiled in Gartner's Competitive Landscape: Custom Software Development Services, August 2020

Digital Engineering

- Named a Leader in Office365 Integration in the ISG Provider Lens™ Microsoft Ecosystem 2020
- Named a Leader in Continuous Testing – Midmarket and Expert Consulting in the ISG Provider Lens™ Next-Gen Application Development & Maintenance Services 2020
- Named a Leader in Digital Product Lifecycle Services in the ISG Provider Lens™ Digital Business Solutions and Service Partners 2020

Enterprise Services

- Named a Leader in SAP S/4 HANA System Transformation – Midmarket in the ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners 2020
- Named a Leader in Managed Applications for Services for SAP ERP in the ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners 2020
- Positioned as a Top Ten Player in HFS's Employee Experience Top 10 Report

Key Services

Enabling seamless transition to the future

Underpinned by our three strategic pillars, we leverage the power of human-machine collaboration to develop transformative digital solutions that help customers solve complex business problems.

Application Transformation Management

Applications play a crucial role in helping businesses operate seamlessly. Our application transformation management services enable application transformation, development and ongoing management. They are designed to leverage new technologies such as Cloud, Artificial Intelligence (AI), Machine Learning (ML) and DevOps, along with processes such as Agile. The service lets our clients augment their product management function while focusing on a customer-first approach and on adopting reusable services.

Key Offerings

- Cloudify applications
- API and integration
- Application managed services
- Modern delivery

Revenue Share (%)

41.0 38.7

Business Intelligence (BI) and Analytics Services

Our Business Intelligence and Analytics Services help enterprises understand current trends, predict the future, analyse and combat risks, and differentiate themselves and their offerings. We use next-generation technologies to help design BI and analytics applications, which boost enterprises' return on investment (RoI) by drawing 360-degree insights into their business, customers, market and products.

Key Offerings

- AMAZE™ for data and AI
- Data modernisation
- Decision Science Lab
- Data visualisation
- Internet of things

Revenue Share (%)

12.1 11.7

Business Process Services

We empower enterprises by delivering exceptional business process services to fuel their growth. Our aim is to create innovative and cost-effective business process services while increasing revenue and reducing errors. For this, we use our operational expertise, domain knowledge and business process automation combined with Robotic Process Automation (RPA), ML and AI.

Key Offerings

- HIPAS™ – Intelligent process automation
- Customer experience services
- Finance & Accounting (F&A) transformation
- Marketing operations services
- Translation services
- Revenue cycle management

Revenue Share (%)

8.6 8.1

■ 2020 ■ 2019

Digital Assurance

We offer enterprises end-to-end quality assurance of their products/applications across the different verticals we operate in to ensure sustained and predictable quality.

Key Offerings

- Autonomous software testing
- Test advisory and consulting
- Test automation services – TALOS
- Automated testing of data
- Usability testing services
- Cloud quality assurance

Revenue Share (%)

16.1 16.6

Enterprise Solutions

Our Enterprise Solutions deliver business value to customers by combining digital technologies and industry best practices. Our customised digital architecture modernises client applications and facilitates risk-free and accelerated transformation. We are among the industry leaders in designing, building and managing hybrid environments, and leverage automation and analytics to optimise costs.

Key Offerings

- Business process management
- Oracle cloud services
- Oracle e-business suite services
- PeopleSoft services
- SAP services
- Workday services

Revenue Share (%)

8.3 9.3

Infrastructure Management Services

Our experience in managing hybrid IT infrastructure environments and application services enables us to provide best-in-class IT platforms that deliver quality experience to users. Our infrastructure management services provide enterprises with innovative solutions for digitisation, big data, application and infrastructure modernisation and process harmonisation.

Key Offerings

- Digital workplace
- Hybrid cloud
- Enterprise service management
- Software asset management
- Cyber security resilience services
- Automation as a service
- Experience consulting services
- DevOps
- RAISE IT platform

Revenue Share (%)

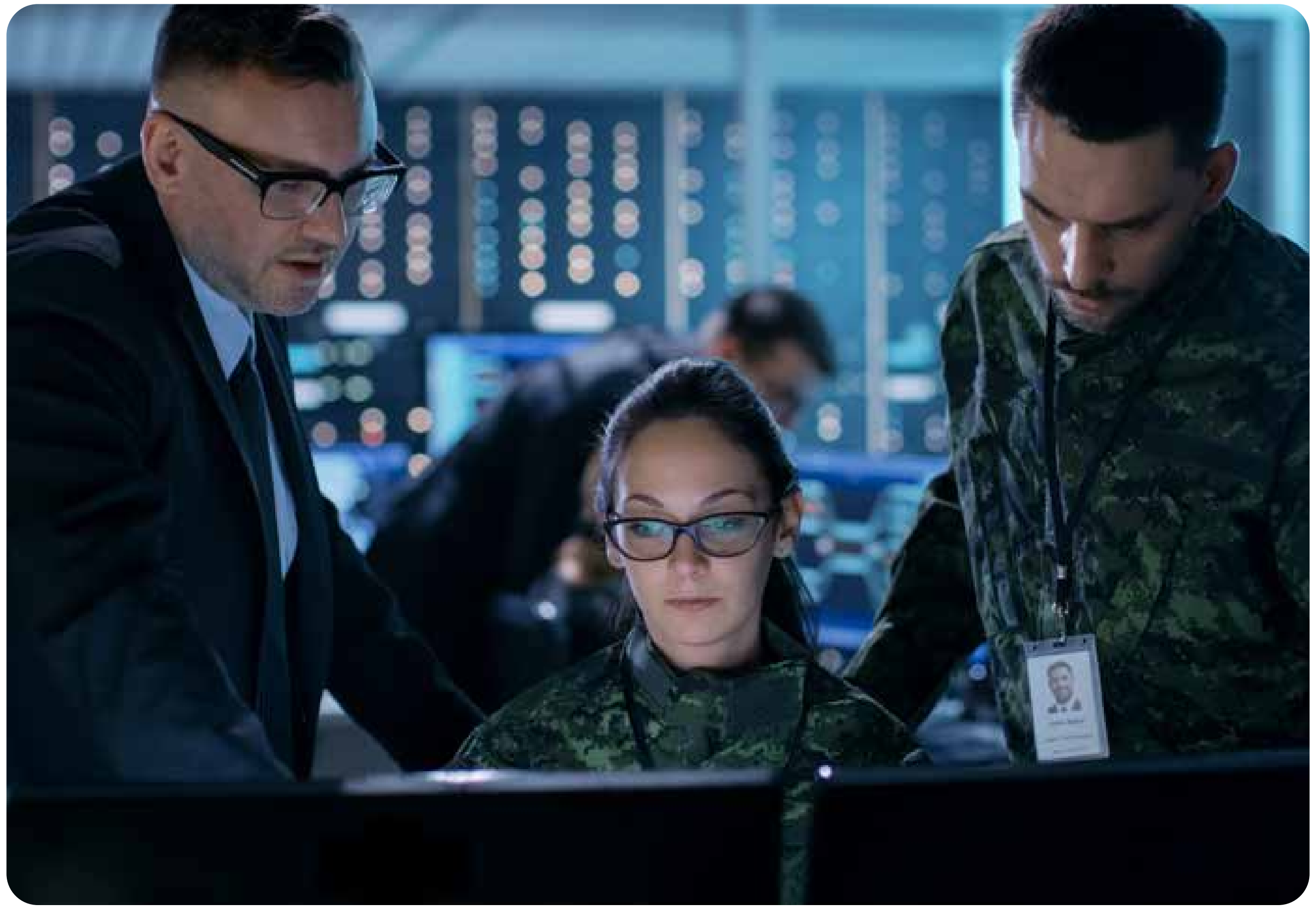
13.9 15.6

■ 2020 ■ 2019

Corporate Strengths

Creating a distinctive identity for ourselves

With more than three decades of experience in servicing global clients, we have built strengths around our unique positioning and help our clients in accelerating their business transformation.



Skilled professionals

Our team of 19,833 Hexawarians (as on December 31, 2020) from different regions and with diverse skillsets provides the Company with strong impetus to growth. Our strong engagement initiatives help us in minimising attrition and in creating an empowering work environment.

45.68
Average training hours per employee

Focused

Instead of doing everything and offering 'me-too' products, we have focused on solutions around our core strategies that have helped us deliver superior experience for our customers, resulting in higher customer retention rate.

14
Years of average tenure of relationship with our top 10 clients

Domain expertise

We possess strong expertise in our area of offerings to a diverse customer base across different verticals. We have a sound understanding of emerging technologies, helping us develop solutions and services that are unique and proprietary to their nature.

13
Patent applications filed

Diverse segments

We have a strong global client base across segments such as Banking and Financial Services, Travel and Transportation, Healthcare and Insurance, Hi-Tech Professional Services and Manufacturing and Consumer sectors, reducing our dependency on a single business vertical.

30+
Country presence

Performance-oriented culture

We are a nearly three-decade-old company, working with the mindset of a start-up. This helps us in driving collective organisational performance and to consistently grow across various market cycles.

15.4%
5-year revenue CAGR leading to 2020

Strong leadership

We have a strong senior leadership team with global leaders as members. With their unmatched experience and expertise across diverse technologies, they are steering the Company towards newer heights of growth.

28.2
Average cumulative experience of our senior leadership team (person-years)

Robust financials

We continue to maintain a strong balance sheet with healthy cash and cash equivalents, attractive reinvestments and a low debt level, despite an all-cash acquisition deal with Mobiquity for US$ 182 million in 2019.

0.06:1
Debt-equity ratio (as on December 31, 2020)

Global Presence

Accelerating change around the world

We stay closer to our customers through our offices in various countries around the world. We have structured our geographical presence across three key regions (Americas, Europe and Asia-Pacific) to provide clear customer interfaces and faster time-to-market. Our global presence also allows for onboarding a cohesive and diverse workforce that contributes to our promise of delivering quality.

Americas

12 Offices

3,106 Employees

Share of revenue (%)

74 2020

76 2019

Countries of presence

- Argentina
- Canada
- Mexico
- US

Europe

6 Offices

847 Employees

Share of revenue (%)

18 2020

15 2019

Countries of presence

- Belgium
- Denmark
- Estonia
- Finland
- France
- Germany
- Ireland
- Latvia
- Netherlands
- Norway
- Poland
- Russia
- South Africa
- Spain
- Sweden
- Switzerland
- UK

Asia-Pacific

19 Offices

15,880 Employees

Share of revenue (%)

8 2020

9 2019

Countries of presence

- Australia
- China
- Dubai
- Hong Kong
- India
- Japan
- Philippines
- Saudi Arabia
- Singapore

Chairman's Communiqué

Extraordinary times demand extraordinary responses

Dear Stakeholders,

The year 2020 was a challenging one and our thoughts go out to all who have been impacted by the pandemic. We saw a significant impact on our society, the global economy and every industry due to this disruption. Through all the widespread uncertainty, we, at Hexaware, came together as an organisation to deliver on our purpose to help customers achieve technology-led business transformation. Hexaware adapted rapidly to the changing environment, serviced our customers with minimal disruption and delivered strong financial results. Our response, in many ways exceeded our own expectations and I thank my colleagues for their resilience and agility in seeing us through this extraordinary year.

"We have built three platforms supported by the pillars – Tensai™, AMAZE™ and Mobiquity. They help our clients hyper-automate, transition quickly to cloud and provide unmatched experience to their customers."

A year of accelerated transformation

The pandemic deeply impacted every industry and validated the value proposition of digitisation; especially with on-demand and scalable models. Digital transformation has never been more core to organisations; it is now fundamental to their success and in many cases, their very survival. Every company leveraged digital to find new channels to connect with customers, improve supply chains, change their modes of operations, deliver new products and services, and manage a remote workforce.

Every sector saw an acceleration of digital transformation efforts as clients had to simultaneously transform multiple areas of their business. The pandemic exposed the divide between the digital leaders and the laggards. Enterprises that were digital leaders were able to constantly respond to external changes, and service their customers; thus navigating the crisis relatively better than others. On the other hand, the digital laggards felt multiple shocks to their businesses as many aspects of their operations and customer interaction were put to the test. They now need to not only catch up but to also leapfrog their efforts. While the pandemic has meant an acceleration in digital transformation by years, the extent of technology-led transformation opportunities ahead is immense.

"Hexaware adapted rapidly to the changing environment, serviced our customers with minimal disruption and delivered strong financial results. Our response, in many ways exceeded our own expectations and I thank my colleagues for their resilience and agility in seeing us through this extraordinary year."

Evolving operating context

The year 2021 is expected to witness a healthy surge in worldwide IT spending as organisations across the globe accelerate their journey towards digitisation and release the investments held back in 2020 due to the pandemic. With the accelerated adoption of digitisation across industries, cloud has been imperative in the transformation. The broad industry shift to the cloud was well underway before the pandemic. As companies look to accelerate their digital engagement with clients, their workforce and the ecosystem, they are utilising on-demand, scalable cloud models. We are now facing the next era of cloud adoption; one that will accelerate at a previously unforeseen pace. A Gartner survey data indicates that almost 70% of organisations using cloud services today plan to increase their cloud spending in the wake of the disruption caused by COVID-19 [(1)]. On the back of these drivers, the cloud computing market is expected to grow from US$ 371.4 billion in 2020 to US$ 832.1 billion in 2025, growing at a CAGR of 17.5% [(2)].

At Hexaware, every industry shift is an opportunity for us to innovate, create new solutions and transform the industry and our business. As organisations rapidly transition to digitisation, we push our limits to identify and address the changing needs of our clients with our range of solutions.

Right time. Right place.

We are geared up to leverage the growing opportunities through our three strategic pillars of Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™. We have built three platforms supported by the pillars – Tensai™, AMAZE™ and Mobiquity. They help our clients hyper-automate, transition quickly to cloud and provide unmatched experience to their customers.

Along with these offerings, we are expanding our reach and targeting new markets to continue on our growth trajectory.

The solid support of our team

I am proud of the way we have conducted business during the year – which would not have been possible without the grit and determination of my colleagues. While themselves adapting to change, they continued to connect, collaborate and innovate to take the organisation to greater heights of success. On behalf of the Board and leadership at Hexaware, I would like to thank all of you for all that you have done and continue to do.

I would also like to thank our fellow Board members, management team, customers and partners for their continuous support during these challenging times. Your unwavering trust in us assures us of our ability to scale any mountain.

I firmly believe that the journey forward will be even more exciting.

Rajeev Kumar Mehta
Non-Executive Chairman

(1) https://www.gartner.com/en/newsroom/press-releases/2020-11-17-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-18-percent-in-2021

(2) https://www.marketsandmarkets.com/Market-Reports/cloud-computing-market-234.html

Chief Executive Officer's Message

Charting our growth roadmap

Dear Stakeholders,

The year 2020 was radically different for all of us and at the same time wholly similar too — new, foreign, unusual and hard for so many of us.

In the uncharted and unmapped place we found ourselves in last March, we got to work immediately, and our global workforce began working from their homes, kitchen tables, basements and bedrooms. Our teammates were suddenly juggling the natural stress of work while orchestrating the complex acrobatics of being at home alone, or with partners and kids, and trying to work too.

Honestly, it felt like an engineering experiment about to go wrong; like the kid who tries to make a robot out of a Commodore 64, an electronic home gadget, say a toaster or an oven, and burns down the garage!

But after all, at Hexaware, we are engineers at heart—relentless inventors, discoverers and 'uncoverers'— who know we win with the sharpness and speed of ideas, innovation, exploration and constant change, no matter how daunting, unusual or unexpected.

As they say, there is opportunity in chaos, so beyond a few weeks of wondering what the heck was a pandemic, we neither missed a beat, nor let a crisis go to waste.

And I'm thrilled to share with you the fact that the results were astonishing. We not only showed stellar performance in 2020, but we've also set ourselves up for sustained profitability. Despite a negative start to the year, I hope you share my delight with the 12.2% revenue growth and 24.2% EBITDA growth.

Initially, we worried that working from home would hinder productivity and strain client delivery commitments, which we imagined we could deliver only from the office space, but in spite of a global shutdown, both metrics improved. We transformed, creating a new and higher-gear at Hexaware, turbo-charged to adapt to the COVID world today and ready for a post-COVID world tomorrow, and we helped our client partners do the same.

We elevated our performance and delivered outstanding results for our customers, employees, shareholders and the communities we live and work in. In fact, our Customer Delight Score hit an all-time industry high of 84.3 (on a scale of -100 to +100), thanks to the herculean efforts of 20,000 of the world's hardest working teams.

The company also turned inward; reflecting on the health and well-being of our own, initiating over a dozen programmes to help provide the psychological safety required for distributed and disconnected teams to build chemistry, trust, flex, connect and excel. I think one of the most popular programmes was the Digital DJ that streamed pulsating mixes of world-famous DJs to every Hexawarian's home, to ring in the New Year.

Measures like this positioned our Employee Delight Score at an all-time high also, and we were certified and recognised as a Great Place to Work. These scores and certifications bolster our efforts to acquire and retain some of the world's most exceptional talent. We're a technology business yes; but it's really a people business — people who happen to be extraordinary in technology—and anything we can do to guarantee our people are at their very best, is always worth the investment.

Our brand index puts us in a league far above what our size suggests. Hexaware is punching above its weight, and fast becoming a force to be reckoned with in the global technology and consulting markets.

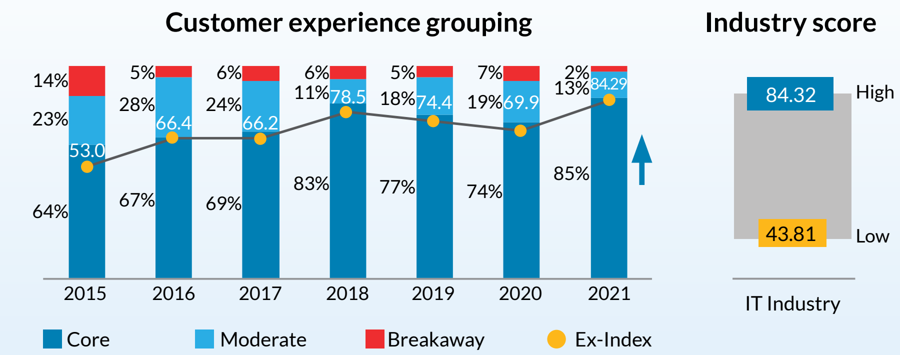
Cementing the foundation for 2021 and beyond

We launched our automated application transformation platform for cloud replatforming AMAZE™, and the suite of products and services have seen outstanding traction, already garnering us over a dozen, referenceable Fortune 100 and 500 client success stories. AMAZE™ helps create our differentiated and value-driven competitive advantage to win in the US$ 120 billion cloud migration market

Reinforcing our people commitment

Great Place To Work® Certified MAR 2021–FEB 2022 INDIA

Customer experience index chart, independent survey by Feedback Insights



(growing at 28% annual growth), and we expect this to be a significant driver of growth for many years.

In the race to the future of customer service, we're aggressively pursuing engagements in the contact centre transformation space (a US$ 90 billion market). Given our strong value proposition of operational automation expertise, proprietary cloud services offerings and world-class product design and engineering experience, this space is ripe for a Hexaware disruption. And already this year, we've fought hard and earned huge wins from some of the largest brands in the world, while, frankly speaking, stealing some market share from legacy contact centre leaders. Watch this space.

To augment what are now contactless sales pursuits, we created digital tour experiences of all our office campuses to give prospects a sense of who we are, how we work and what it might feel like to partner. Additionally, we're creating stronger go-to-market offerings, working on their positioning and packaging of it all, to reduce sales cycles, lower marketing costs and improve revenue predictions; all while increasing speed to partnership. These efforts resulted in winning a higher contract value from net-new customers than we have ever achieved, with Total Contract Value (TCV) exceeding US$ 300 million for new clients.

Our 2019 acquisition of Mobiquity continues to perennially blossom into an outstanding investment for our business. Mobiquity's expertise in Product Engineering, Experience Strategy & Design and Data & Analytics is a DNA-match for our Global IT and Digital Consulting Company. Hexaware and Mobiquity will continue to shape an ultimate global partnership that jacks up the strength and position of our companies, and does the same for every one of our client partners too.

One of our most important initiatives last year was to look discerningly at our collective offerings through the lens of value, market trends and future-proof insurance, and begin to re-imagine stronger go-to-market service lines.

Starting 2021, we are operating around the following service offerings, with security, analytics and assurance at the core:

- Cloud Transformation
- Customer Experience Transformation & Digital Product Engineering
- Digital Core Transformation
- Automation-led ITO (Information Technology Outsourcing)
- Business Process Services
- Enterprise Services

Alongside these service lines, strategic partnerships with Microsoft and AWS (Amazon Web Services) continue to grow in scale and importance, and we're rapidly benefiting from additional strategic alliances with Salesforce and Snowflake in 2021.

Reaping results of the investments in 2020

We expect last year's efforts and momentum to slingshot us into 2021—delivering industry-leading growth, improved profitability and vastly increased exposure to the world's biggest companies in the largest growth and opportunity markets.

On behalf of over 20,000 of my colleagues, partners and friends, I write to assure you that we continue to crush complex IT, Product Engineering and Customer Experience problems with relentless commitment and customer-centricity. In 2021, we'll continue to arrive early and stay late when it matters (and it always matters), **to deliver what we deliver best—outcomes**—for our clients, our people and for you, our shareholders.

To exceptional outcomes,

R. Srikrishna
Chief Executive Officer

Chief Financial Officer's Review

A resilient performance in the wake of adversity

Dear Stakeholders,

2020 will go down in history as a year when the human race changed forever. No one could have predicted this turn of events that evolved into a pandemic. The battle is far from won, but with the vaccination drive across the world, at least the momentum is now in the right direction. Viewed in the context of the challenge, we made considerable progress across our business and delivered a great performance.

Resilient performance

It has always been our aim to deliver top financial performance and sustain long-term profitability of the Company, while building on transparency and high levels of corporate governance. In 2020, we registered our highest ever revenue, EBITDA and cash flow conversion.

During the year, revenue grew 12.2%, from ₹ 55,825.18 million in 2019 to ₹ 62,620.80 million in 2020. In US$ terms, we delivered revenue of US$ 845.04 million, up 6.5% y-o-y. Our 5-year revenue CAGR in rupee terms stood at 15.4%, much higher than that of the industry, reflecting our commitment towards continuous growth.

Our resilient focus on operational efficiencies, cost optimisation and decisive margin improvement plans translated into margin growth faster than revenue. Gross margins for the year was 33.8% up from 32.7% in 2019. EBITDA reported a 24.2% growth, from ₹ 8,808.05 million in 2019 to ₹ 10,937.05 million in 2020. EBITDA margins expanded by 169 bps from 15.8% in 2019 to 17.5 % in 2020.

"During the year, revenue grew 12.2%, from ₹ 55,825.18 million in 2019 to ₹ 62,620.80 million in 2020. In US$ terms, we delivered revenue of US$ 845.04 million, up 6.5% y-o-y. Our 5-year revenue CAGR in rupee terms stood at 15.4%, much higher than that of the industry, reflecting our commitment towards continuous growth."

During these difficult times, we stayed true to our fundamentals. There was significant focus on cash conservation. Our relentless efforts helped:

- Add US$ 107 million to our cash chest, taking it to US$ 142 million at end of 2020 as against US$ 35 million at the end of 2019
- Close the year with days sales outstanding (DSO) of 68 days, lowest in the last 48 quarters
- Achieve cash conversion (OCF to EBITDA conversion) of over 130%. Seen in the context of a pandemic year, this is significant when compared to cash conversion in the range of ~60-70% in the past three years

Our financial results validate our strong business model, deep customer relationships, operational rigor and a talented team focused on execution.

"We maintained a strong balance sheet with a net debt free position. Our total equity (net worth) has now reached ₹ 32,358.49 million. The robust financial strength of the Company is helping us make investments in strategic areas, support everyone within our ecosystem and prepares us well to successfully navigate the future."

Judicious decisions driving growth

We prioritised our expenditures towards value-accretive projects, reduced working capital and curtailed overhead costs. We maintained a strong balance sheet with a net debt free position. Our total equity (net worth) has now reached ₹ 32,358.49 million. The robust financial strength of the Company is helping us make investments in strategic areas, support everyone within our ecosystem and prepares us well to successfully navigate the future.

We continue to make investments in strategic areas. Some of the key highlights are the launch of AMAZE™ and completion of the Mobiquity acquisition. Our new launches, new logo wins and strong pipeline reflect the results of the choices we are making.

Return to shareholders

The Board of Directors approved an overall dividend of 400% amounting to ₹ 8.0 per share. The total dividend payout for the year (including third interim dividend proposed), amounted to ₹ 2,398 million.

During the year, our promoters decided to voluntarily delist the publicly traded shares from the stock exchanges and acquire all the equity shares held by the public shareholders. The decision was made to enable the promoters to obtain full ownership of the Company to provide increased operational flexibility to support the Company's business and also to save costs. It was also to provide the public shareholders an opportunity to realise immediate and certain value for their equity shares at a time of elevated market volatility. Shares of the Company were delisted from the stock exchanges on November 9, 2020 at ₹ 475 per share, the price discovered in accordance with the delisting regulations.

Giving back to the Community

At Hexaware, we are committed to strengthening our societal bonds and uplift communities. Our CSR philosophy is to use business to serve society built on a strong belief that 'common good' is more important than 'individual gain', and that our true measure of growth lies beyond our balance sheet. Our CSR initiatives focus on areas of Education; Environment; Health and Sanitation; Sports, Art and Culture; Rural Development; Natural Calamities and Disaster relief that help improve the quality of life of under-served, disadvantaged and marginalised communities. During the year, we invested ₹ 109.94 million across CSR projects, our humble contribution in giving back to the community we live in. This included ₹ 44.3 million towards COVID-19 relief efforts.

Looking ahead with optimism

The speed, the adaptability, the focus with which the entire team at Hexaware has delivered consistently, gives us the highest confidence in our organisation's ability to continue delivering sustainable value to all our stakeholders. Our priorities for FY 2021 are:

1. Continue to aggressively pursue profitable growth with a focus on platform led revenue
2. Drive robust cash conversion cycles
3. Strengthen governance and risk management globally
4. Build process-driven culture and enhance IT footprint, focusing on AI and ML

2020 truly was a year of many learnings. We navigated this unprecedented period, well assisted by our stable financial performance, strong balance sheet, adequate liquidity position while continuing to invest for the future.

I would like to conclude with an expression of gratitude to our key stakeholders: our Board for their guidance; our investors for their belief in us; our customers, partners, business associates and bankers for their continued support; and our employees, without whom none of this would have been possible.

Vikash Jain
Chief Financial Officer

Key Performance Indicators

On an upward growth trajectory

Profit and Loss

Revenue (₹ million)

2020	62,621
2019	55,825
2018	46,478
2017	39,420
2016	35,349

15.4%

The revenues for 2020 saw a 12.2% y-o-y growth.

EBITDA* (₹ million)

2020	10,937
2019	8,809
2018	7,712
2017	6,901
2016	6,010

16.1%

EBITDA saw a y-o-y growth of 24.2% in 2020 on the back of improved control on costs.

EBIT (₹ million)

2020	8,145
2019	7,581
2018	6,688
2017	5,919
2016	5,211

11.8%

EBIT saw a y-o-y growth of 7.4% in 2020 owing to efficient control on costs and better realisations.

PBT (₹ million)

2020	8,005
2019	7,793
2018	7,266
2017	6,406
2016	5,604

9.32%

PBT reported 2.72% growth over 2019 despite headwinds on account of pandemic.

PAT (₹ million)

2020	6,215
2019	6,413
2018	5,835
2017	4,995
2016	4,192

10.3%

PAT saw a slight decline in 2020 compared to 2019, largely owing to additional tax provision due to assessment of one of our Group companies.

Earnings per share – Basic (₹)

2020	20.77
2019	21.52
2018	19.65
2017	16.79
2016	13.89

10.6%

The EPS for 2020 slightly declined to ₹ 20.77 owing to decline in profit after tax in 2020.

5-year CAGR

*Before RSU cost

Balance Sheet

Cash and bank balances (₹ million)

2020	10,379
2019	2,528
2018	8,341
2017	5,521
2016	4,482

Closing cash and bank balances in 2020 increased more than four times compared to 2019 owing to higher operating profits realised during the year.

Net worth (₹ million)

2020	32,358
2019	27,655
2018	23,919
2017	20,073
2016	17,409

Net worth reported strong growth on account of higher retained earnings

Environment

Energy consumption per employee (KwH/FTE/month)

2020	1,157.03
2019	2,032.23
2018	2,461.52
2017	2,878.64
2016	3,116.89

Successfully moderated the energy consumption per employee over the years.

Water consumption per employee (Kl/FTE/month)

2020	11.18
2019	16.93
2018	20.40
2017	21.65
2016	24.73

Successfully improved water consumption per employee, reflecting our environment commitment.

Social

Employees

2020	19,833
2019	19,999
2018	16,205
2017	13,705
2016	12,115

Our business growth has been supported by steady increase in our employee base, a growth of ~64% in the past five years.

CSR beneficiaries

2020	35,496
2019	34,508
2018	18,417
2017	16,233
2016	8,439

Increased our CSR outreach by 2.9% y-o-y in 2020.

Business Model

Creating value by reimagining customer experiences

Inputs

Financial Capital
- Net worth: ₹ 32,358 million
- Investments in property, plant and equipment (net of depreciation): ₹ 6,215 million

Manufactured Capital
- Innovation hub: 1
- Offices: 37 across 30+ countries

Intellectual Capital
- R&D spend: ₹182.68 million

Human Capital
- Employees: 19,833
- People skill development investment: ₹103.04 million
- Average training hours per employee: 45.68 hours

Social and Relationship Capital
- CSR spend: ₹109.94 million
- No. of volunteers: 282
- Customers: 277
- Strategic partnership: 18 NGO partners

Natural Capital
- Energy consumption:
  For 2020: 98,96,067 kWh
  For 2019: 1,72,75,973 kWh
- Water consumption:
  For 2020: 95,655 kL
  For 2019: 1,43,922 kL

Capital usage

Value creation model

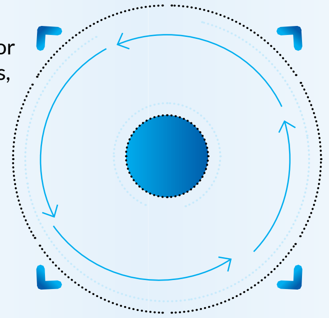
Key services

- Application Transformation Management
- Business Intelligence (BI) and Analytics Services
- Business Process Services
- Digital Assurance
- Enterprise Solutions
- Infrastructure Management Services

Core business process

Opportunity identification
Through strong customer relationships, partner and advisor connects, referrals, and proactive proposals

Solutions and delivery
Deliver quality solutions in cutting-edge technology areas leveraging the latest tools and methodologies



Approach to opportunities
The global bid management team collaborates with stakeholders to define the end-to-end solutions, and identify the business value and benefits to be delivered

Strengthening relationship
Enhancing our partnership with customers through consulting services, to become their trusted advisor

Our philosophy

Vision

Core values

Mission

Key strategies

Key client segments

Banking and Financial Services
Read more on **page 28 & 29**

Healthcare and Insurance
Read more on **page 30 to 33**

Hi-tech and Professional services
Read more on **page 34**

Travel and transportation
Read more on **page 35**

Manufacturing and Consumer
Read more on **page 36 to 39**

Creating value

Value created in 2020

Financial Capital
- Revenue: ₹ 62,621 million
- PAT: ₹ 6,215 million
- RoCE: 25.7%*

Manufactured Capital
- Innovation Hub launched two frameworks in the Vision & Immersive space targeting two retail market segments
- Launched a COVID app for care providers

Intellectual Capital
- IPs/copyrights: 26
- Whitepapers: 110
- Participated in a global hackathon across 77 countries and 10,000 teams and won it

Human Capital
- New hires in 2020: 6,747
- Women employees recruited in 2020: 2,611
- Nationalities: 52

Social and Relationship Capital
- CSR beneficiaries: 35,496
- Customer experience survey: Our Customer Delight Score hit an all-time industry high of 84.3 (on a scale of -100 to +100)
- New customers added in 2020: 55

Natural Capital
- Power consumption reduction: 43%
- Water consumption reduction: 34%

*ROCE calculation is based on EBIT and average of opening and closing capital employed i.e net worth+ borrowings

Operating Context

Embracing a digital future

The world is moving rapidly towards adoption of digitisation. The COVID-19 pandemic has caused major shifts to online – from food ordering and grocery purchase to business meetings. There are some trends that are primarily influencing this shift to the digital and we are working relentlessly to convert them into opportunities with our innovative suite of products and services.

Demand for digital products and services

There has been a significant surge in the demand for new digital products and services during the pandemic. This demand is expected to strengthen further during 2021. Companies across the globe are investing in developing capabilities to use digital to create deeper relationships with customers. According to a Gartner survey, organisations that have increased their use of digital channels to reach customers or citizens are 3.5 times more likely to be top performers than others.

Redoubling digital transformation efforts

Digital transformation and the cloud are synergistic – the cloud enables digital transformation, and digital transformation fuels the importance of moving to the cloud. Demand for cloud-driven as-a-service offering is growing rapidly. Global public cloud service revenue is expected to reach US$ 308.5 billion in 2021 and US$ 354.6 billion by 2022.

Artificial Intelligence (AI)

AI remains one of the new technology trends and its impact on how we live, work and play is still in the early stages. It is expected that AI-based revenues will strengthen significantly going forward, largely driven by ML, deep learning, and conversational AI applications. The major adopters of AI are expected to be healthcare, remote work and education.

US$ 100 billion

Projected global AI-based revenue by 2025

Internet of Things (IoT)

IoT has enabled devices, home appliances, cars and much more to be connected to and exchange data on the Internet. It can enable better safety, efficiency and decision making for businesses as data is collected and analysed. It can also enable predictive maintenance, speed up medical care and improve customer service. According to a Grand View Research Report, the global industrial IoT market size is expected to reach US$ 949.42 billion by 2025.

Robotic Process Automation (RPA)

RPA is the use of software to automate business processes such as interpreting applications, processing transactions, dealing with data and even replying to emails. RPA automates repetitive tasks. Global RPA software revenue is projected to grow 19.5% in 2021 against the revenue reported in 2020.

US$ 1.89 billion

Projected global RPA software revenue in 2021

5G technology

5G services are expected to revolutionise our lives in the coming years by enabling services that rely on advanced technologies such as Augmented Reality (AR) and Virtual Reality (VR), alongside cloud-based services. It is expected to be used in factories, in HD cameras that help improve safety and traffic management, and for smart grid control and smart retail. 5G services are expected to be launched across 30 countries in the world by the leading 50 telecom operators.

US$ 4,104 billion

Projected worldwide IT spending in 2022

Hexaware's Response

- Created a host of products and solutions under the three platforms – Tensai^{TM}, AMAZE^{TM} and Mobiquity and aligned with our three core strategies
- Focused around our core strategies to remain relevant and excel in our chosen segments
- Scaling up constantly with widening global presence and people strengths
- Created a strong referenceable clientele, helping in winning new businesses across the globe
- Strategic partnership with major global hyperscalers to provide seamless experience

Risk Management

Managing and mitigating evolving challenges

Risk type	Definition	Mitigation plan
Information and cyber security risk	As companies are moving towards new technologies such as mobile computing, Internet of Things (IoT) and cloud computing, they are more prone to sophisticated targeted attacks, ransomware threats, malware, data leakage and other security failures.	• Implemented an ISO 27001:2013 certified ISMS and cyber security programme • Undertook a cyber security-based work-from-home assessment by independent third-party consultants to assess the existing setup against leading practices in the industry from a technical and architectural perspective • Strengthened our endpoint security measures to mitigate work-from-home and cyber risks • The governance and management of security compliance and risk are reviewed periodically • Engaged external auditing bodies to carry out Type-2 Assessment of SSAE16 and ISAE3402 for SOC1 and SOC2 annually • Cyber security alignment with NIST Cyber Security Framework is underway for the latest benchmarking of security practices
Talent availability	Delay in deployment of and non-availability of employees with relevant skills, especially in new-age domains such as digital offerings, could result in revenue loss.	• Formulated a centralised process to forecast resource requirements based on RFPs / pipelines followed by monitoring hiring plans • Hexavarsity's structured employee training programme helps build capabilities and expertise in various technical, functional and non-technical skills • Expanding our Mexico delivery centre to provide services in the US, taking advantage of talent availability and similar time zone
Human resource related risk	We operate in an industry that is highly dependent on talent. We must continuously invest in employee training and development or face the risk of attrition.	• Effective people management strategies and processes driving low attrition • Conduct an annual external employee survey to understand employees and address their concerns • Deployment of a tool to assess employee sentiments is underway • During the pandemic, Leadership Lantern programmes, periodic CEO Connect, doctor on-call services, virtual sessions on mental and overall well-being, yoga and so on were conducted
Increased cost of services	Increase in salary and other costs could affect margins.	We are improving our operating efficiency by: • Controlling operating cost (tight budgeting process) • Controlling economic non-conformance • Monitoring and replacing subcontractors with full-time employees wherever possible • Mentoring and guiding potential candidates to take greater responsibility • Broadening the pyramid by hiring trainees
Competition risk	We face competition from various tier 1 and tier 2 organisations. Moreover, some of our clients might consider outsourcing to onsite providers of outsourcing services.	• Strengthen strategic partnership with clients by offering them multiple service lines that cater to an entire range of their IT needs • Nurture long-term relationships with our customers. Average duration of relationship with top 10 customers goes back 14 years • Expansion of onsite presence; we are increasing delivery centre capability in the US and in Europe • Adhere to presales accountability to drive bids in each vertical • Strengthened sales team to win new clients and mine existing accounts • Constantly monitor analyst ratings (ISG) across geographies and service lines to ensure we remain in the 'Leader' quadrant

Risk type	Definition	Mitigation plan
Changes in technology, capability obsolescence and business model changes	There's a significant disruption driven by technology. It is important for us to continuously review and upgrade our technology, resources and processes to mitigate technical obsolescence.	• Increasing our service offerings to include new-age technology such as automation, cloud, mobility and digital • Restructured our business by creating focused functions on service lines as expected by our customers • Invest heavily in the continuous training of resources • Encourage innovation in service delivery / solution offerings
Service delivery risk	Service delivery could be a risk factor, especially with employees working from home since almost a year.	• Check our customers' pulse through multiple satisfaction surveys and use advanced analytical models to analyse these inputs and determine future course of action • For voluntary disclosure of challenges faced by delivery teams, a Daily Status Reporting tool is used • Perform an impact assessment exercise at the project level to ensure back up of every critical resource
Revenue concentration (customer/geography/ industry)	Concentration of business from customers from limited geographic areas and dependence on few customers could impact business.	• Expanded our onsite presence by increasing delivery centre capability in the US and creating new centres in Europe to cater to clients in Europe. Other delivery centres include the Philippines, Poland, Russia and Hong Kong among others • Increased focus on markets other than the US, i.e., Europe, APAC, Asia, Middle East and Africa (AMEA) regions • Increasing our portfolio of customers contributing > US$ 5 million revenue a year
Disaster recovery and business continuity (including pandemic risk)	We may be vulnerable to risks due to natural calamities, disasters or pandemic.	• Certified for ISO 22301:2012 BCMS • Structured business continuity management plan present to address business disruptions at every level, thereby minimising impact of outages, including recovery sites, intra-city redundancies, work from home etc. • Business continuity plans tested regularly • Implemented DR capabilities for critical infrastructure (critical servers, firewalls, core switches and other critical components) at the start of the pandemic to ensure there is no single point of failure (SPOF) using cloud capabilities • Implemented multiple connectivity options, e.g., over internet through ZScaler, site-to-site VPN or MPLS and B2B VPN, so that employees can securely connect with both client and Hexaware network • Perform periodic vulnerability scans to identify and remediate potential threats. Our Security Operations Center has been strengthened to address anomalies
Data protection and privacy	Leakage and misuse of confidential data and proprietary information increases the risk of non-compliance of privacy and data protection laws and can damage brand reputation, relationships and growth.	• Have a robust framework that includes policies, privacy impact assessments, governance, data mapping, incident management, training and awareness • Possesses robust data protection measures in compliance with the global standards and requirements such as GDPR, HIPAA, PCI-DSS, etc • Developed and communicated security awareness guidelines during work from home for our employees
Regulatory and compliance risk	Our business operations are spread across various geographies and we offer a wide range of services to our clients. This increases our exposure to various risks associated with regulatory requirements.	We have a well-defined regulatory compliance framework to track regulatory compliances globally and have defined owners for various compliances

Business Review
Banking and Financial Services

Revenue (₹ million)
23,829.91

Contribution to total revenue (%)
38.1

External environment

Driven by the COVID-19 induced pandemic, the banking and financial services industry across the globe has undergone massive digital transformation. Customers are resorting to digital channels and may not appreciate banks with slow, cumbersome or overly complicated systems. There is an increasing focus on cloud, as it offers personalised and real-time services that clients and customers expect.

The following four areas are making digital work for customers and banks:

- **Reimagine customer experience:** Putting customers and their needs at the forefront to build solutions
- **Mobile-first view:** Ranging from contactless banking to account access – customers expect accessibility of products and services from portable devices, instantly
- **Leverage data for personalisation:** Centralising existing datasets to build targeted solutions
- **Right technology platforms:** It is imperative to identify and choose the right platform while building new services

With the banking and financial industry fast migrating to cloud, it is expected that the global finance cloud market will register a CAGR of 22.3% over the forecast period of 2021–2026.

[Source: https://www.mordorintelligence.com/industry-reports/finance-cloud-market]

US$ 7.3 billion
Operational cost savings from using chatbots in banking globally by 2023

Overview

We partner with banks and financial services companies across the globe and help them digitally transform front-to-back. Over the last two decades, we have been servicing top banks as well as other financial institutions with complex businesses across the globe. At Hexaware, we are working closely with our Banking and Financial Services customers to help them achieve their objectives in the areas of:

Domain-led transformations

- **Middle office outsourcing:** Increased focus on asset managers to outsource their middle-and-backoffice activities to a service provider
- **Cyber security:** Addressing concerns of customers around security-related aspects, especially in a work from home environment
- **Regulatory reporting:** Emphasis on regulatory reporting with changes to rules and their applicability during the pandemic; our solution enabled a consolidated mart, especially for transaction reporting requirements

Customer experience journey

- **Customer empowerment through self-services:** Leveraging our Mobiquity brand to help our Banking and Financial Services customers develop mobile-based digital solutions and empower them in an environment where they are home-bound

Cloud transformation

- **'Amaze'ing cloud transformations:** Due to the pandemic, customers are relooking at their hosting requirements and the advantages of cloud. Our AMAZE™ platform has been helping our clients rapidly migrate their existing applications and data to the cloud
- **Data management on the cloud:** Customers are looking to optimise and transform their run-the-bank functions by leveraging the advantages of cloud-based solutions. One key area of transformation is the spend on acquiring and processing market data

Automation

- **Advanced analytics:** Clients are looking to monetise their existing data repositories and overlay with advanced analytics solutions that are helping them service end customers better. To facilitate this, we offer advanced analytics platforms such as the Analytics for Investment Management
- **Integrated IT/operations services:** We are leveraging our integrated IT/operations services offering to cater to specific requirements of our customers by providing a holistic and 360-degree service. Operational projects are optimised using a unique automation framework that leverages multiple technologies, such as ML, natural language processing, natural language generation, RPA, Optical Character Recognition (OCR) and AI. We have been successful in applying this framework across multiple domains, such as reference data management, reconciliation, settlement, accounting, corporate action processing, payments investigation and so on, and deliver high level of straight-through processing, thereby reducing operational costs and improving business efficiency

Case study

Helping a leading asset servicing firm save over 30% in total cost of ownership

We offered an integrated IT/operations-managed services for a leading partnership bank and global custodian. Our technology and operations teams work in unison to provide a holistic, 360-degree service to our customer across their custody landscape in multiple global geographies. We delivered over 30% savings in total cost of ownership with improved accuracy and client satisfaction. The client benefitted from a unique skin-in-the-game approach of guaranteed savings from day one, transferring the risk of automation to us to realise the benefits.

Business Review

Healthcare and Insurance

Revenue (₹ million)

13,414.76

Contribution to total revenue (%)

21.4

Healthcare

External environment

The healthcare industry is evolving rapidly with digital solutions providing on-demand and personalised services, transforming patients into healthcare consumers. Consequently, the global healthcare cloud computing market is estimated to grow at CAGR of more than 14% and reach market value ~US$ 40 billion by 2026.

[Source: Acumen Research and Consulting]

Digital trends shaping the future of healthcare and life science companies:

- Data-driven insights promoting healthier behaviours and smart diagnosis
- Omnichannel efforts for deeper insights into patients' experience
- Social media presence to effectively engage patients to mitigate their concerns
- AI and ML to identify Social Determinants of Health (SDoH) such as mortality, morbidity, life expectancy and well-being

COVID-19 has accelerated the wave of digital adoption and technology-led business transformation in the healthcare and life sciences industry. It has created an opportunity to understand the urgency and significance of meaningful data-led digital transformation, with the need to improve patient outcomes while containing costs.

Overview

We are serving the healthcare and pharma industry with a focus on delivering cloud transformation services and automation to enhance user experience. We develop intelligent solutions to customise high-level data and business information for our clients, alongside value-added services such as data management and analytics, AI/ML consulting, API-based integration, automation consulting and BPO services.

Digital medicine and digital engagement

Our passion to transform customer experience through integrated patient engagement and digital medicine platforms has received a positive push during the pandemic as there is an increased demand for remote engagement with omnichannel experience. In Digital Medicine, we provide solutions around Connected Health (IoT-led Disease Management), Digital Therapeutics and Real-world Evidence apps. We enable superior digital experience through orchestrated HCP engagement, virtual clinical trials and patient engagement solutions.

Automation-led cost takeout

Automation-led cost takeout, using our Tensai™ framework, has the potential to automate and optimise end-to-end healthcare and life sciences processes, resulting in significantly lower costs, improved performance, increased productivity, and business agility.

Cloud and Analytics

Hexaware's AMAZE™ for Data & AI can help assess and shift decades of on-premise, long-standing legacy healthcare and life sciences data to cloud at the lowest risk and expense and with minimal downtime, while modernising Data and BI/AI architecture. The Health Cloud Native ingestion helps support industry standards like FHIR, DICOM, HL7 v2 and FHIR-enabled IoMT. Advanced analytics solutions (AI/ML/DL) enable better decision-making throughout the lifecycle of taking the drug to the market.

Our strengths

Hexaware plans to focus in the areas of digital medicine, digital engagement, cloud and analytics, and automation-led cost takeout to help clients navigate the current market challenges and move towards the path of increased digital adoption. Hexaware plans to leverage its strong domain capability and partnerships with leading software vendors along with the digital consultancy experience of Mobiquity to penetrate new accounts and grow the existing ones.

Did you know?

We work with some of the world's largest healthcare and life science data and intelligence providers.

Case study

Responding to challenging times

We partnered with a large Contract Research Organisation (CRO) company to design and build their virtual clinical trial platform and provided contact centre support for their COVID-19 rescue trials across 100+ countries in 25+ languages. Intelligent Chatbot and Email Automation enabled better patient experience, reducing the overall contact centre operational cost by 20%.

Business Review

Insurance

External environment

Accelerating cloud adoption and a highly customer-centric experience continue to be the primary focus areas for our customers globally. As insurers are now geared up for holistic cloud adoption, we are helping them maintain the right balance between migration complexity, cloud readiness and overall business impact while creating a cloud adoption roadmap for the next 3 to 5 years.

Highly personalised customer experience has become an important competitive differentiator in the insurance industry. While the industry-leading platform providers continue to play a significant role, we have observed that emerging technology players have started to provide comprehensive no-code platform to help insurers innovate frequently with their 'online buying' experience.

Overview

Technology is redefining how insurance companies are operating, interacting with their customers and collaborating with their brokers. Through our digital Insurance Services, We work with customers to create the digital transformation roadmap and measurable outcomes.

We also build next-generation cloud-native solutions for our insurance clients that provide best-in-class experience to their customers and enable them to easily partner with brokers.

Our strengths

Hexaware continues to have a single-minded focus on superior customer experience and seamless cloud migration as part of the enterprise-level solution strategy. Our cloud adoption framework precisely assesses the migration-related risk areas and helps insurers create a highly predictable migration roadmap. Our migration tools help automate most of the high-risk activities and accelerate the overall migration process significantly.

We have an insurance middle-office platform that provides complete flexibility to insurers, insurtechs, brokers and agents to design the most personalised journey. It also helps innovate meaningful digital solutions to meet customer needs. The platform comes with the most modern API technology to connect with any popular SaaS platforms like Guidewire and Salesforce Financial Services Cloud.

Did you know?

Hexaware has been helping some of the leading industry platform providers to re-engineer their platform using the most advanced cloud-native technology

Case study

Income protection through cloud adoption

Our insurance middle-office platform has been re-purposed to build an omnichannel cloud-native platform for an insurtech major, primarily supporting gig workers worldwide. The platform is expected to provide income protection coverage to over 50,000 gig workers in the UK and Europe.

A large US-based Property And Casualty (P&C) Insurer who specialises in auto insurance has leveraged our cloud adoption framework to define their complete cloud adoption journey around the Guidewire Cloud Platform.

Our cloud migration and upgrade toolkit is being used by one of the largest multi-line insurers in Europe to upgrade their claims system. This has been one of the fastest upgrades. The tool helped our customer eliminate 90% of technical debts while reducing release cycles by 30%.

Business Review

Hi-tech and Professional Services

Revenue (₹ million)

9,450.87

Contribution to total revenue (%)

15.1

Overview

This business vertical operates at the intersection of (Hi) technology and professional services – with Trust as its catalyst. Trust forms a crucial bedrock for the professional services industry.

Breakthrough advancements in technology compel professional services firms to reimagine their service approach. Trust in technology is a pre-requisite to meaningful adaption. Our secret ingredient is the ability to create value for our clients from the unique interplay between trust, technology and professional services. The year FY 2020 was a challenging yet satisfactory year as we deepened our existing relationships, widened our operations with new logos, and recorded an 8.8% revenue growth.

Our service offerings portfolio:

- Client engagement portal
- Tax automation and filing, including data standardisation
- Infosec in professional services
- Future of audit with hyper-digitisation
- Future of agency (advertising and marketing)
- Platform engineering and productisation

Our horizontal solutions portfolio

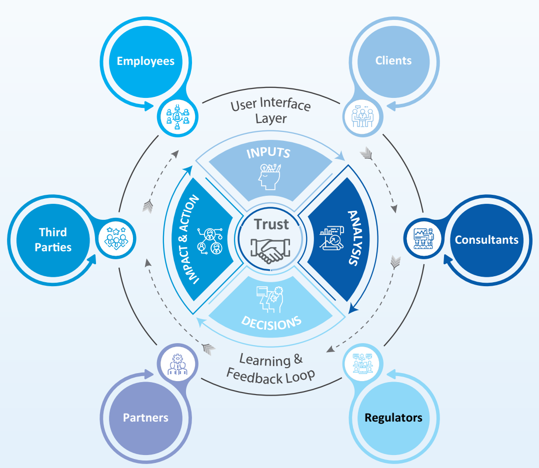
- Cloud transformation (with AMAZE™)
- Tensai™ (E2E automation suite)
- Industry-contextualised Analytics & AI/ML
- Customer experience and digital experience solutions, including Information Technology Outsourcing (ITO)
- Bespoke application development and maintenance

Industries we serve

- Tax, audit and accounting
- Advisory and consulting
- Advertising and marketing
- HR consulting and talent management
- Legal/Law firms
- Technology platform providers
- Big tech and other software firms
- Product and XaaS companies

Trust Cycle

The HTPS Trust Cycle is a Hexaware proprietary framework. It enables practitioners and all stakeholders in the Professional Services business to appreciate the positive impact of technology, as it serves to combat trust deficit and helps firms regain their industry stature.



Case study

Making processes efficient

Our audit automation solution helps auditors overcome persistent and often incapacitating conditions created by traditional processes. The solution blends automation, business process management and design thinking to create an experience that allows auditors reimagine their work process. Our solutions on intelligent dashboards and advanced document management capabilities further enhance product value and usage.

We developed a scalable platform for a marquee client that serves 127 countries in 22 languages with 35,000+ active users. It reduced the time taken to complete the audit process by more than 60%.

Travel and Transportation

Revenue (₹ million)

5,099.60

Contribution to total revenue (%)

8.1

External environment

Next-generation technologies are transforming how we travel and transport. Today, the airlines, hospitality and logistics industries are more dependent on smart phones, AI, AR, IoT, e-payments, apps and social media than ever before. These tools empower customers and service providers with better connectivity (through technologies such as AI-chatbot, and predictive and video analytics), seamless experiences and real-time data analytics, and strengthen revenue streams.

Overview

The COVID-19 pandemic has forced the entire world to adapt to new normal. Safety and hygiene, along with touchless experience, have become paramount for a passenger/guest and have acted as catalyst for technological changes and innovation in travel, logistics and hospitality industry. Hexaware understands the current unprecedented situation and potential technology reshaping the future. We strongly believe that the technology spends to deliver touchless, immersive customer experience, mobility and cloud computing would be the future to run a 'normal' business in travel, logistics and hospitality industry. With our in-depth domain understanding of the industry and with strong innovation and technology, we help our customers to stay ahead of the curve by providing the right solutions, from both business and customer perspective.

Case study

Leading the digital transformation journey

We help our clients evolve with the emerging trends and technologies and create business value through touchless experience. We joined hands with a leading hospitality client in their 'digital transformation' journey. As part of this initiative, Hexaware developed a new mobile application that resulted in their guests experiencing a seamless journey throughout their stay, starting from booking their reservations to checking out. This new system has also enriched their loyalty members' experience in onboarding, booking, service request, redemption and so on, by providing enhanced interaction.

Hexaware worked with various airline customers to transform the passenger notification process, booking, check-in, boarding process, thorough cleaning process of aircraft and crew planning, resulting in a touchless and safe journey.

Business Review

Manufacturing and Consumer

Revenue (₹ million)

10,825.66

Contribution to total revenue (%)

17.3

Manufacturing

External environment

The manufacturing sector is showing signs of recovery with economies opening up and containment measures relaxing worldwide. Key segments that have been impacted by the COVID-19 pandemic include discrete manufacturing, Engineering, Procurement and Construction (EPC), automotive and energy and utilities. While demand has picked up, supply has lagged behind. This has led to a sharp rise in raw material prices as well as transportation and shipping costs. Upstream supply delays are pushing up lead times, especially in internationally spread-out supply chains.

Overview

Hexaware has strong and differentiated offerings for manufacturing centred around four post-COVID strategic themes: Digital Leapfrogging, Touchless and Immersive Customer Experiences, Engaging the Anywhere Employee and Sustainable Cost Takeout. Our key focus areas extend across Automating Enterprise IT, Intelligent & Connected Supply Chain, Business-to-Business-to-Consumer (B2B2C)/Direct-to-Consumer (D2C) transformation, and Industry 4.0.

Manufacturing XR

We conducted a webinar on how companies can leverage extended reality (XR) in a touchless world to drive 360-degree experiences around virtual customer visits, remote due-diligence, plant monitoring and worker training

Key highlights 2020

The pandemic made manufacturers rethink contingency plans and pushed them to embrace a remote work environment to ensure business continuity. Further, significant financial pressures in terms of tight working capital resulted in manufacturers placing many of their digital initiatives on hold. This resulted in delayed payments, requests for short-term discounts and weakening customer confidence.

Despite this, the division witnessed strong performance with strategic wins across discrete manufacturing, automotive and oil and gas industries.

- We helped one of the largest furniture manufacturers expand from a B2B to a D2C model through an enterprise-wide transformation across multiple brands
- We also supported infrastructure transformation for a large EU-based EPC company serving the offshore energy industry
- We hosted a session at ProcureCon 2020 on how manufacturers can sustain operations in the face of liquidity pressures

Our strengths

- Our differentiated offerings and strong experience of serving large clients over the years
- Our solutions are aligned to industry needs in the areas of enterprise automation, digital journey acceleration, B2B2C transformation, intelligent and connected supply chains and Industry 4.0
- We are also building capabilities around providing solutions around Industrial IoT, Asset Monitoring and Maintenance, Smart Factories, Connected Supply Chain and Digital Twin

Hexaware Field360

To help manufacturers harness new after-market revenue streams, increase customer retention, and reduce field service costs, Hexaware introduced ‘Field360’, a modular field service solution that incorporates next-gen technologies to achieve significant improvement in key metrics, such as first-time fix rate, equipment uptime and asset performance via the following modules:

- Standard: Core module of Field360, offering a comprehensive set of features, including work order management, maintenance, mobility, analytics, invoicing and parts management
- Smart technician: Enhances field service personnel capabilities in terms of self-service, remote assistance and virtual training
- Asset intelligence: Enhances asset and equipment monitoring and operational efficiencies via asset visibility, predictive maintenance and intelligent parts management

Case study

Accelerating digital journey of a mining client

Hexaware developed a best-in-class solution for one of the largest mining companies in the world, focusing on health, safety and risk management. We helped the client accelerate their digital journey and decision-making processes, resulting in enhanced process efficiencies through real-time monitoring and improved mining analytics. Our digital transformation solution optimised the utilisation and maintenance of haul trucks, resulting in improved efficiency, reduced cost and lowered TRIR (Total Recordable Incident Rate). This helped the client achieve significant reduction in their annual opex spend and win an Innovation Award from a United States federal agency.

Business Review

Consumer

External environment

COVID-19 accelerated the pace of digital transformation with growing priorities around personalised and touchless experiences. The most immediate transformation happened with unified commerce and the focus on truly integrating channel experience. Retailers therefore made significant investments in not only delivering this capability immediately but also in aligned areas and infrastructure, i.e., touchless retail, supply chain networks, inventory visibility and availability. The dominating themes going forward will be customer centricity, experience, connect, enterprise transformation and technology disruption.

Overview

At Hexaware, we believe that the pandemic created the perfect storm allowing us to blend our unique digital and retail transformation offerings, growing partner ecosystem and our innovation capabilities to increase the value we deliver to our customers, create differentiation, and become the retail transformation partner of choice.

Key highlights 2020

The COVID-19 pandemic made 2020 a very challenging year, impacting the entire retail industry and changing the way retailers view their business model. Brick and mortar stores were the worst hit segment, registering with a sharp decline in revenues, and had an immediate need to build their online presence. The biggest challenge faced by Hexaware was that retailers were putting investments on hold in the short-term to re-assess their business priorities. With the lockdown restrictions easing, most of the retailers are looking to undertake retail transformation projects that will help improve customer experiences and increase customer acquisition. With diverse digital offerings, retail transformation experience and strong partner ecosystem, Hexaware is positioned to penetrate new markets and establish a stronger presence in the retail space.

- Despite the pandemic, we were able to win strong deals – a facility management and infrastructure transformation deal with one of the largest supermarkets and grocery chains in Australia
- We also bagged a deal to enable contact centre transformation for one of the largest e-commerce players in the world
- We enthusiastically invested to build capabilities in areas of predictable commerce, integrated demand planning and flexible supply chain

Our strengths

We offer the full range of capabilities required to define, create and deliver innovative solutions that solve the end-customer's real problems and delight them along the way. Our unique offerings in areas of touchless customer experience (product visioning, strategic assessments, customer journey mapping and platform-led digital transformation), intelligent supply chain (merchandise financial planning, allocations, replenishment, promotions and markdown space planning), algorithmic retail (enterprise data platform visioning, strategic assessments, and product-based engagements for data science and data engineering needs) and Digital Operations (RPA-led F&A, procurement, product data set up and order management operations) enable our clients to become truly digital organisations.

The road ahead

Our future state capability in the new normal map covers the following areas –

1) Experience (digital channels, omnichannel and contact centre)
2) Connect (OMS, supply chain)
3) Enterprise transformation (stores, enterprise systems)
4) Back office (finance, HR)
5) Innovation/ disruption (5G, robotics/ automation vision/AR/ VR/ ER)

Against each of these areas we have charted a strategy that encompasses:

1) Nurture and build talent, both organically and inorganically
2) Leverage internal capabilities and solutions to deliver transformative value
3) Work with partners in niche areas, so that we can take advantage of their deeply specialised expertise
4) Inorganic acquisitions to ensure we return to market with speed and scale

Our vision is to deepen our relationship with our existing retail customers and acquire new customers across geographies and verticals.

Predict-Demand Planning

Hexaware's Predict-Demand Planning, launched in 2020, is a web-based analytical tool to sense customer preferences and other multiple demand signals in real time, analyse and simulate various forecast scenarios (factoring for causals – price, promotion, competitive and effects – affinity, cannibalisation, new products) by customer segments across channels, time horizon, product hierarchies and functions. This allows for a single demand plan across functions and a truly collaborative and responsive supply chain.

Case study

Helping client reduce opex

Hexaware supported automation-led transformation to implement and support enterprise systems, implemented the first Google Cloud Platform (GCP) data lake, modernised loyalty and store programmes, automated application testing and provided support across legacy and modern applications for a leading automotive aftermarket parts retailer and distributor in North America. Hexaware's contributions helped the client reduce opex, increase throughput and improve customer experience with a strong predictable governance model. We developed deep business understanding, implemented the best practices and set up dedicated centre-of-excellence across the US, Mexico and India to deliver best-in-class services, thereby becoming the client's preferred partner for large strategic engagements, and maintained top Customer Satisfaction (CSAT) score throughout, reflecting the highest client satisfaction.

Environment

Towards clean technology and green energy

At Hexaware, we have incorporated the triple bottom line framework. We are committed to focusing on social and environmental concerns, as much as on profits. Being in the information technology industry, we have lesser impact on the environment. Regardless, we make continuous efforts to mitigate sustainability-related risks and undertake initiatives to protect the environment.

Energy management

We are reducing our energy consumption by using renewable energy and focusing on energy efficiency. We undertook several initiatives to conserve energy:

- The Chennai Siruseri Campus has a rooftop solar system of 1,124 kW. The Mumbai campus has a rooftop solar system of 114 kW. Power generated in 2020 from these systems stood at 16,57,825 units in Siruseri and 1,45,558 units in Mumbai as against 16,74,058 and 1,50,826 units, respectively, in 2019
- Availed 4.3 million units of wind energy during 2020 against ~8.1 million units in 2019 as captive power consumer through third-party private power agency

Rooftop solar power system

3,613 MTCO$_2$e
GHG emission reduced by Hexaware in 2020

62.07%
Share of renewable energy in total power consumption in 2020

Water management

At Hexaware, water is largely used for domestic purposes and we have put in place efficient water management practices. We undertake wastewater recycling and rainwater harvesting, and have installed effluent treatment plants (ETPs) to conserve and reuse water.

Effluent treatment plant

34%
Reduction in total water consumption in 2020

61.2%
Share of recycled water in total water consumption in 2020

27.46%
Water recycled in 2020

Employees participate in wall painting and creating awareness in schools as part of CSR

Waste management

The waste generated by us is e-waste, dry waste (largely paper waste) and wet waste (primarily from the café). We have installed an organic waste converter that converts food waste from the canteen to manure and undertakes composting of organic waste from the canteen and kitchen. We deploy authorised agencies to dispose e-waste and hazardous wastes, and recycle paper waste.

Social – People

Embedding a high performance culture

Our colleagues share our passion, dreams and ambition and we celebrate them by engaging with them across different levels and facilitating their personal and professional growth.

We are now Great Place to Work® - certified™ – an acknowledgement of our people practices and a recognition of our focus on building a great workplace culture

We offer an amicable work environment and invest in projects and programmes that enhance employee skills. Our culture focuses on recognition, innovation, emotional and physical well-being of our people, openness and transparency.

During 2020, we adopted the theme 'Own Your Game' to encourage our people to innovate and work autonomously without micro-managing. Under the aegis of this theme, we inspired our people and empowered and enhanced their capabilities.

Building a culture of innovation

We introduced virtual hackathons to develop grassroot innovations among our colleagues. The hackathons served as a stepping stone to identify and encourage the boundless possibilities and opportunities available in the world of technology.

We believe in transforming the ideas from our consultants into innovation and Brain Box, our Customer Value Add (CVA) initiative, aids this cause. Brain Box offers a common forum for projects to share value-added activities performed for their respective projects. This helps us engage, collaborate and invest for future.

Hiring with a unique employer value proposition

During the year, we defined our unique employer value proposition to differentiate our Company in a highly competitive talent market. We are continuously investing in technology to enable hiring at scale and ensuring a seamless experience for the candidates.

Employee training in Hexavarsity

At Hexaware, we are building a team based on skills. To transform newly joined employees into an integral part of our team, we conduct several programmes. Among them is Hexaware Future Leaders and Executives (HFLX), where we effectively train Senior Management Trainees (SMTs) to identify their skills and provide them an orientation platform for better understanding of their role. During the year, we conducted HFLX virtually, providing guidance, motivation and mentorship for our recruits. The sessions with Hexaware leaders empowered them to transform their skills into strengths and be ready for business challenges.

Maverick induction – onboarding day

Empowering the leaders of tomorrow

Our multi-faceted learning and development process enriches and empowers our people to upskill and grow. We motivate our colleagues to deliver their 100% every day. At Hexavarsity – our learning and development arm – we help our people accelerate on the path of excellence in a constantly evolving and complex world of technology.

EVOLVE

A role-based certification programme, EVOLVE enables our people to upgrade their skills and make them industry-ready. It channelises the inner potential of our employees and enables them to meet the challenges of the different roles within the organisation.

Mavericks Learning Programme (Fresher Training Program – FTP)

This programme is designed to nurture the concepts of 'Learning to Learn' and 'Learn by Doing', which encourage freshers and strengthen their capabilities, thus making them more resourceful and self-reliant. The Premier Mavericks Programme includes engineers with niche skills and competencies.

Ignite – Organisational Development (OD) initiative

Ignite is strategically aligned and interwoven with our organisational objectives. Our leadership team and consultants are given a holistic picture of our strategies to enable them to develop into creative leaders.

CTaDel – Customer Centric Talent Development Programme

It acts as a one-stop-shop for the accounts team to access e-learning or self-learning videos, account-specific assessments and artifacts in a secured environment that is accessible only to the specific account stakeholders.

Catapult

This is a leadership development programme conducted in partnership with Great Place To Work®. It provides training to people managers for six months and enables them to seek new leadership that will instill passion in the team and steer it ahead.

Apart from these, we have several targeted leadership capability programmes:

- LEAP 2.0 for senior leaders across units and departments
- mLEAP 2.0 for managers across units and departments
- SMART PM 2.0 for experienced project managers and directors
- BA2BC 2.0 for systems analysts and business analysts
- Enhance Communication
- Behavioral assessments and interventions – Belbin Team Roles
- Unlock – Coaching programme for senior leaders

Social – People

Rewarding and recognising our colleagues

A high-performance and high-recognition culture keeps our teams motivated. Our Rewards and Recognition (RnR) framework recognises teamwork, success and hard work. We have several programmes to honour our top performers and loyal employees.

High Performers Club (HPC)

This special recognition programme is for those who deliver sustained performance over multiple consecutive years. These individuals are felicitated by our CEO and other Management Council members in the presence of their families during our annual event, YUVA. The senior management team works with HPC members to leverage their capabilities and strengths for fast-tracking their growth and that of the organisation.

Veterans of Hexaware – Long Service Awards (LSA)

Our LSA celebrates loyalty and service tenure for every 5-year milestone, serving as a motivational lever for our colleagues and strengthening our organisational culture. These awards further build customer confidence as they see value in long-term association with us. As part of LSA, we give a congratulatory trophy and certificate to our colleagues completing the tenure milestone and send an email to the entire organisation celebrating them.

1,029
Colleagues who received LSA in 2020

Engaging with Hexawarians

We commemorate the accomplishments of our colleagues – be it professional or personal. Together, we make memories at work that help us build enduring bonds with our people. During the year, we engaged with our people across a variety of platforms.

Hexaware Leadership Lantern Series

This programme allows us to connect with our global employee base and listen to them, address their queries, provide clarity on myriad issues and seek feedback.

Hexastars

We conducted our performance awards ceremony – Hexastar Awards 2020 – virtually. The global event was attended by our people and our clients' C-suite executives, who were all enthralled by our programme.


Hexaware sports event


YUVA – a cultural event

YUVA

Our annual event, YUVA, is the most awaited occasion at Hexaware. It is spread across days and witnesses participation from various lines of businesses. It is an amalgamation of culture, and a display of creative and competitive spirit, team work and team bonding.

Celebrating personal milestones

We create beautiful memories with our colleagues by celebrating their birthdays, weddings, anniversaries and the birth of a child at the account level. These programmes make our people feel valued and drive home the point that their personal lives matter to us as much as their professional contributions.

Connecting with our colleagues' families

At Hexaware, we connect with our colleagues' families, from their parents to their children, in a unique way. We organise several programmes such as Hexa Kids' Day where the children of our employees join us for a fun-filled day within our premises. Fam Jam Weekends were initiated during the lockdown to engage with our colleagues and encourage them to spend time with their loved ones at home with activities such as kids' disco, cooking sessions and spa Sundays.

52
Nationalities spanning in our workforce

THEFITPROJECT

It is an initiative to help redefine employee wellness. Through our Employee Wellness Programme, we engaged with our employees by taking care of their wellness in the virtual world and contributing positively to their overall well-being with programmes such as virtual yoga sessions and Zumba.

Building a diverse and inclusive culture

With people from 52 nationalities and ~29% female colleagues at Hexaware, we are strengthening the diversity of our workforce. Women@Hexaware (W@H) is an employee-driven forum that serves as a platform for inspiring and empowering women. The forum supports our female colleagues in achieving their professional and personal goals.

In addition, we conduct the following initiatives:

- Health awareness programmes and medical camps (orthopaedics and mammography)
- Financial planning for women, followed by one-to-one consultation with an expert advisor
- Women's Day celebrations along with stalls and grooming sessions
- Self-defence workshop


Women's Day celebration at Hexaware

Social – Community

Continued commitment to care

As a responsible business, we support local communities. We have set up a robust social responsibility framework to ensure sustained value creation.

Types of projects

Flagship programmes

Unique programmes, conceptualised, funded and run by us

Programmes aligned to the national theme

In line with India's key development agenda, these programmes foster effective partnerships between corporates, NGOs and the government

Stakeholder management programmes

Niche programmes conceived, planned and driven by our core management team and run by us

Sustainability employee engagement programmes

Actively involve our colleagues in cementing various CSR strategies into our brand while engaging with them in numerous volunteer-run events

Key social outreach programmes

Education

Project and project summary

- Supporting the Space Kidz India team
- Udaan empowers children, especially daughters of women in red light areas
- Digital and Financial Education trains teachers in 23 government schools of Chennai and Mumbai
- Scholarships for underprivileged and meritorious students
- Partnered with Apne Aap Women's Collective (AAWC) (145 beneficiaries), American India Foundation (3,450 people reached), Idea Foundation (430 people reached)

Skill development

- Skill development training for employability for youth from marginalised sections and gainful employment in the high growth service sector
- Providing training to people with disability to get employment in the retail industry
- Partnered with Magic Bus Foundation and Terrain, benefitting 600 youths and 325 people respectively

Women empowerment

- Umeed provides alternative livelihood opportunities for women in red light areas
- Complete Care Programme that includes healthcare and education support to girls living on the streets
- Collaborated AAWC and Rainbow Homes reaching 200+ children in Mumbai and Chennai

Stakeholder engagement

We organise strategic and comprehensive programmes to promote inclusive growth and value creation for our primary stakeholders – people, customers and community. We concurrently engage with them proactively on a regular basis.

Key stakeholder engagement methodology

Employees

- Projects that make our people proud
- Encourage employee volunteering
- Helping Hands of Hexaware

Customers

- Create value for customers

Community

- Need-based projects to improve the quality of life of the underserved/disadvantaged/marginalised communities
- Record beneficiaries' growth y-o-y
- Field visits allow us to interact with our community beneficiaries

Environment

- Tied up with Environmental Foundation of India (EFI) for pond restoration projects to scientifically refurbish and restore the water bodies in Chennai. Four ponds are restored so far.
- Through 'Clean and Safe Neighborhood' project implemented various initiatives like solar street lights, tree plantation, clean-up drives, wall painting in schools and so on.

Health and sanitation

- The Nutritional Outreach Programme provides nutrition counselling, customised diet planning, and food and nutritional supplements to underprivileged children with paediatric cancer and supports their families
- Early Intervention Programme for the comprehensive development of children 'at risk' of development disabilities in the age group 0-7 years
- Promoting hygiene and sanitation practices in government schools
- Partnered with Cuddles Foundation for three hospitals; V-Excel Educational Trust, helping 274 children and Yuva Unstoppable, supporting 21 government schools

Sports

- Tied up with Olympic Gold Quest supporting 3 junior women athletes and 20+ para-athletes in sports training with coaching and the necessary equipment.
- Encourage employees to participate in various charity marathons and through which we support various NGOs namely Dream Runner Foundation, AAWC, Save The Children, Manav Foundation, Helen Keller, Katalyst Foundation and Vidya & Child Foundation.

Social – COVID-19 Response

Stepping up during the pandemic

During the pandemic, our primary focus was to support our customers, employees and communities while ensuring business continuity.

COVID relief plan

We developed our COVID relief plan in phases to ensure our efforts are directed where they are most needed.

₹ 44.3 million
COVID response expenditure

Business continuity plan

Communication was the underlying theme of our strategy to fight the pandemic.
We set up a response team with the objective to:

- Ensure safety and well-being of our employees
- Ensure that we service our customers to the fullest extent possible
- Be a responsible corporate citizen in all our communities

We facilitated work from home to lend support to our customers, resulting in high customer satisfaction.

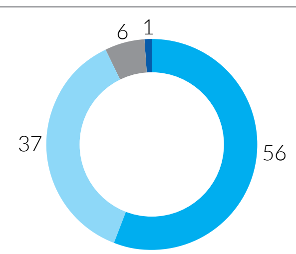
Earning customer trust

- Effective business continuity strategy was rolled out as soon as we started working from home. We replaced our desktops with laptops, provided secure connectivity to customers, undertook cyber security-based work from home assessment to identify and mitigate potential risks, and enhanced our monitoring/scanning mechanisms
- We performed impact assessment exercise at project level to ensure every critical resource is backed up by another resource and there is no single point of failure/high dependency on a single resource
- Project-level/resource-level tracking was conducted on a daily basis, with the senior leadership reviewing the dashboard and providing solutions – including proactive customer communication where needed
- We worked with customers proactively quarter-on-quarter to ensure seamless business operations while we worked from home

Providing undeterred service

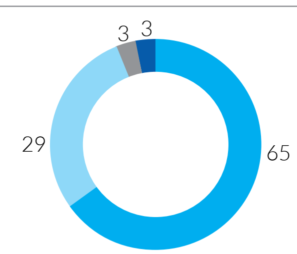
Planning & implementation of the business continuity plan

(%)



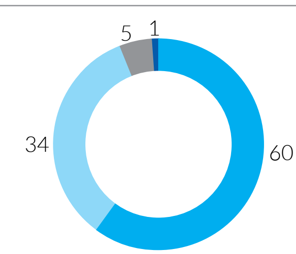
Communication from Hexaware teams

(%)



Productivity of teams (Meeting Delivery SLA commitments)

(%)



Very satisfied
Satisfied
Neutral
Dissatisfied

Team meetings conducted virtually

Community interventions

Phase 1

During Phase 1, we collaborated with NGOs to provide our COVID Warriors with essential supplies:

- Provided ~30,000 Personal Protective Equipment (PPE) kits to government hospitals in Chennai, Mumbai, Pune and Haryana
- Sent cooked food and dry ration to 65,000 people and 1-month of dry rations to ~1,650 families in Chennai, Mumbai, Pune, Delhi and Nagpur
- Gave PPEs to~20,000 police personnel in Chennai, Mumbai and Pune

Phase 2

In Phase 2, we focused on enhancing health infrastructure to support rural hospitals and equip them with the medical equipment setup required to treat COVID-19 patients.

- Converted the general ward in District Civil Hospital, Raigad (Maharashtra) to a full-fledged facility for COVID care, with 40 ICU beds and 57 beds with oxygen supply
- Donated three Max Proton Plus ventilators to NESCO ICU Beds Project
- Upgraded the infrastructure at the Kotagiri Medical Fellowship Hospital (the wards and ICU) in Nilgiris district (Tamil Nadu)
- Distributed 73 laptops to meritorious students of Delhi University from economically weaker families
- Gave 325 tablets to the students of AIFT studying in government schools; these tablets have preloaded Byju's content and Digital Equaliser (DE) programme's EduKit
- Provided additional grant to support girls from Katalyst (our existing programme) throughout their undergraduate degree with mentorship, skill training, laptops, medical insurance and exposure to different vocations

Virtual volunteering

During the year, we also encouraged our colleagues to participate in a unique virtual volunteering programme. They helped us raise funds for the Zomato Feeding India initiative to provide dry rations and groceries to the underprivileged families. Simultaneously, we also organised a first-of-its-kind virtual volunteering programme globally. Our people participated in various volunteering sessions:

- Teach English workshop
- Making content for e-learning
- Teach soft skills to youth
- Voice record stories for special children
- Conduct life skill sessions for special children
- Mentor Together: Teaching interview skills
- Remote learning sessions for children living in shelter homes

Supporting our employees

Our employees began working from home in early March 2020. They were provided with all the necessary assets to enable work from home and ensure there was no customer disruption.

- War room was set up to ensure smooth transition to work from home. This supported technology and personal requirements, including relocation support/advice
- We arranged for COVID-19 tests for staff who visit office on a rotational basis
- We provided vouchers for all employees to fulfil their requirements while working from home (e.g., ergonomic chair, headset, etc.)
- Employees can claim internet expenses incurred by them as part of 'Work from Home' strategy
- We implemented various people initiatives to ensure their overall well-being, including counselling sessions, motivational talks by the leadership, cooking sessions, awareness sessions by reputed doctors, doctors-CEO speak, etc.
- We circulated guidelines on pandemic preparedness and response, SOPs to manage COVID-19 outbreak, return to office strategy, and Dos and Don'ts for employee safety
- We have been doing real-time tracking and monitoring of COVID-19 cases for our employees and their families
- The Hexavarsity training programme helps employees build capabilities and expertise in various technologies, and technical and non-technical skills. This not only empowers the employees, but also provides us with skilled workforce

Governance

Maintaining the highest standards of ethics and integrity

Our corporate governance reflects our value system – our culture, policies and stakeholder relationships. It extends beyond just legislative and regulatory compliance. It prioritises ethics and integrity, ensuring that we earn and maintain stakeholder trust and operate as a fair and transparent business.

Corporate governance philosophy

Our corporate governance philosophy reflects our value system, which embraces our culture, policies and relationship with various stakeholders.

We believe that it is only through good corporate governance practices that we can achieve sustainable growth of the organisation and create long-term shareholder value. The management ensures compliance with corporate governance laws, regulations and policies. We are focusing on building business processes and infrastructure that not only ensure compliance, but also improve our efficiency, agility and responsive management practices.

There is a separation between the role of the Chairman of the Board and the Chief Executive Officer; a practice that has been in place for more than 15 years in the Company. Hexaware has adopted the Code of Conduct for the Board of Directors, Senior Management personnel, prevention of insider trading and whistle-blower policy. The Code is available on the Company's website at http://hexaware.com/investors/

Board and Board performance

Board of Directors

The composition of the Board of Directors represents an optimum combination of professionalism, knowledge and experience. All the major committees of the Board are headed by Independent Directors.

The Board comprises eight (08) Directors as on date. Of these, seven are Non-Executive Directors and four are Independent Directors.

All the important decisions are taken at the Board/Committee meetings.

How the Board drives the growth strategy

The Board is collectively responsible for promoting the success of the Company by directing and supervising its affairs. To meet this purpose, the Board undertakes the following steps:

- Provides entrepreneurial leadership of the Company within a framework of prudent and effective controls, which enable risks to be assessed and managed
- Sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance
- Sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met
- Directors constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company

Digitisation of Board meetings

The Company has been conducting paperless Board and Committee meetings for the last few years.

Corporate behaviour and policy

Prevention of Sexual Harassment (POSH) policy

The Company has established a Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company communicates about the policy through various programmes and at regular intervals to the employees. It has set up an Internal Complaints Committee (ICC) both at the registered office and at every location where it operates in India in accordance with the Act. It is chaired by a senior lady member and has an external woman representation. Workshops and awareness programmes are organised for sensitising the employees regarding sexual harassment.

Whistle-blower policy

The Company has formulated and published a Whistle-blower Policy to provide a vigil mechanism for employees, including the Directors of the Company, so that they can report genuine concerns, and to ensure strict compliance with the ethical and legal standards.

Recognised for governance excellence

We were the winner of the prestigious Golden Peacock Award for excellence in Corporate Governance for the year 2011, 2015 and 2018 and have won Special Commendation in the year 2009 and 2013.

Governance

Board of Directors

Rajeev Kumar Mehta
Non-Executive Chairman
M M M

Atul K. Nishar
Chairman Emeritus
C C M

Jimmy Mahtani
Vice Chairman
M M M M M

R. Srikrishna
CEO & Executive Director

P. R. Chandrasekar
Director
C M M M

Kosmas Kalliarekos
Director
M M

Milind Sarwate
Director
C M

Madhu Khatri
Director
C M M

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Strategy and Risk Committee
- C Chairman
- M Member

Leadership Team

R. Srikrishna
CEO and Executive Director

Ram Singampalli
Chief Operating Officer

Vikash Kumar Jain
Chief Financial Officer

Vinod Chandran
President and Global Head – North America Operations

Amrinder Singh
Executive Vice President – Europe Operations

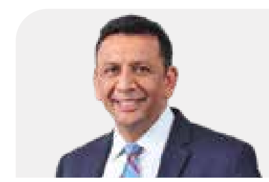
Amalesh Mishra
Senior Vice President – APMEA Operations

Ravi Vaidyanathan
President and Global Head – Financial Services

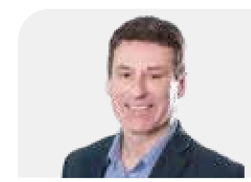
Eswar Venkatachalam
Senior Vice President and Global Head – Travel and Transportation

Milan Bhatt
Executive Vice President, Cloudify Everything™ and Global Head – Healthcare and Insurance

Arun Ramchandran
Executive Vice President and Global Head – Hi-Tech and Professional Services



Kamal Maggon
Senior Vice President – Manufacturing and Consumer



Andy Norman
Co - President Mobiquity and General Manager Mobiquity USA

Paul Piebinga
Co - President Mobiquity and General Manager Mobiquity EU

Srinivasan Panchapakesan
Executive Vice President and Global Head – ATM Business & H&I Delivery

Chinmoy Banerjee
Executive Vice President and Global Head – Banking and Business Process Services

Vaidya J. R.
Senior Vice President and Global Head – Business Intelligence and Analytics

Satyendu Mohanty
Senior Vice President and Global Head – Digital Assurance

Prasan Prabhakaran
Senior Vice President and Global Head – Enterprise Solutions

Siddharth Dhar
Executive Vice President and Global Head – Infrastructure Management Services

Ashok Harris
President and Global Head – Strategic Partnerships

Vishwanath Joshi
Chief People Officer

Senthil Nayagam K.
Senior Vice President – Global Revenue Assurance and Chief Learning Officer

Aparna Jairam
Chief Marketing Officer

Our Performance Scorecard

(₹ million unless otherwise stated)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenue	**62,621**	55,825	46,478	39,420	35,349	31,235	25,817	22,853	19,482	14,505
EBITDA before RSU cost	**10,937**	8,809	7,712	6,901	6,010	5,569	4,776	5,122	4,041	2,615
EBITDA after RSU cost	**10,468**	8,782	7,338	6,552	5,764	5,358	4,776	5,122	4,040	2,613
EBIT	**8,145**	7,581	6,688	5,919	5,211	4,876	4,336	4,736	3,716	2,366
Profit Before Tax*	**8,005**	7,793	7,266	6,406	5,604	5,046	4,181	4,795	4,040	4,040
Profit After Tax	**6,215**	6,413	5,835	4,995	4,192	3,932	3,202	3,791	3,276	2,670
Net Worth	**32,358**	27,655	23,919	20,073	17,409	14,332	12,906	11,992	12,038	10,162
Loan Funds	**1,900**	1,431	-	-	-	-	-	-	-	-
Capital Expenditure	**736**	1,296	609	957	2,223	1,367	604	411	744	633
Cash and Bank Balance (including restricted balance & mutual funds)	**10,379**	2,528	8,341	5,521	4,482	4,428	4,939	6,564	4,472	4,606
Growth ratios										
Revenue (%)	**12.2**	20.1	17.9	11.5	13.2	21	13	17.3	34.3	37.5
EBITDA (Before RSU Cost) (%)	**24.2**	14.2	11.8	14.8	7.9	16.6	(6.8)	26.8	54.5	186.7
EBIT (%)	**7.4**	13.4	13	13.6	6.9	12.5	(8.5)	27.4	57	256.8
Profit Before Tax (%)	**2.7**	7.3	13.4	14.3	11.1	20.7	(12.8)	18.7	31.4	163.3
Profit After Tax (%)	**(3.1)**	9.9	16.8	19.2	6.6	22.8	(15.5)	15.7	22.7	148.1
Performance ratios										
EBITDA Margin before RSU cost (%)	**17.5**	15.8	16.6	17.5	17	17.8	18.5	22.4	20.7	18
EBITDA Margin after RSU cost (%)	**16.7**	15.7	15.8	16.6	16.3	17.2	18.5	22.4	21	18
EBIT Margin (%)	**13.0**	13.6	14.4	15	14.7	15.6	16.8	20.7	19	16
Net Profit Margin (%)	**9.9**	11.5	12.6	12.7	11.9	12.6	12.4	16.6	17	18
Tax/Total Revenue (%)	**2.9**	2.5	3.1	3.6	4	3.6	3.8	4.0	4.0	3.0
Effective tax rate (%)	**22.4**	17.7	19.7	22	25.2	22.1	23.4	21	19	13
Balance Sheet ratios										
Return on average net worth (%)	**20.7**	24.9	26.5	26.6	26.4	28.9	25.7	31.5	30.0	27.0
Debt Equity ratio	**0.06:1**	0.05:1	-	-	-	-	-	-	-	-
Per Share Ratio										
Dividend Payout Ratio (%)	**33.7**	48	43	29	60	80	105	103	57	51
Earnings Per Share – Basic (₹)	**20.8**	21.5	19.7	16.8	13.9	13.0	10.9	12.7	11.1	9.1
Cash Earnings Per Share (₹)	**48.1**	20.0	18.4	16.0	15.7	13.0	13.7	11.1	7.3	4.7
Dividend Per Share (based on declaration) - (₹)	**8.0**	8.5	8.5	4.0	5.5	8.65	9.45	11.1	5.4	4.0

* after exceptional item

Note : FY 2016 to FY 2020 is as per IndAS whereas FY 2010 to FY 2015 is as per previous Indian GAAP

STATUTORY REPORTS AND FINANCIAL STATEMENTS

Statutory Reports

Financial Statements

Management Discussion & Analysis

Hexaware Technologies Limited (Hexaware) is a leading Indian IT company with more than 277 customers across 30-plus countries around the globe. Our aim is to transform the way IT services are delivered, by building around our three core strategic pillars of Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™. Headquartered in Mumbai, India, we service our customers through 37 global offices and 19,833 employees.

Economic environment

Global

The year 2020 began on a positive note with the anticipated bottoming out of manufacturing activity and global trade, a broad-based shift toward accommodative monetary policy, favourable news on the US-China trade negotiations, and diminished fears of a no-deal Brexit. However, soon the global economy was hit by a once-in-a-century crisis caused by the COVID-19 pandemic. Economic activities came to a grinding halt during the second quarter of 2020, as governments around the world responded with social distancing, lockdown and quarantine measures, along with restrictions on a wide range of economic activities to control the spread of the virus.

International trade contracted for the first time since the global financial crisis owing to the widespread and strict lockdowns that severely impacted factory output, disrupted travel and reduced demand worldwide. Global trade volumes of goods and services contracted by ~9.6% in 2020.

Global output is estimated to have contracted by 3.5% in 2020, the sharpest since the Great Depression. Developed countries were the worst hit with ~4.9% contraction, as many countries in Europe and several states in the United States of America adopted strict lockdown measures early on during the outbreak.

In the second quarter of 2020, the global output contraction could have been much sharper than the estimates made. However, various countries countered the disruption caused by the pandemic through major fiscal stimulus measures – accounting for close to 14% of the global output in 2020.

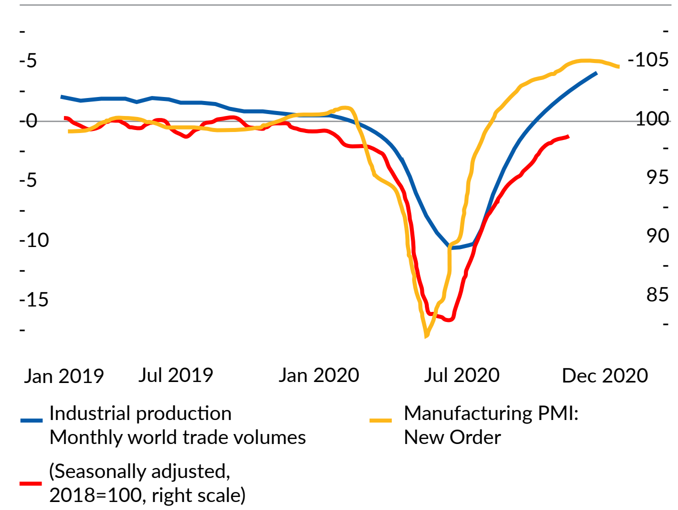
Developed economies

The continued trade tensions between the US and China, which impacted the overall trade scenario over the last few years, made some progress with the US signing 'phase one' trade deal with China.

In 2020, the US economy contracted by ~3.4% over 2019. The Eurozone was impacted severely by the pandemic and reported a negative growth of 7.2% over 2019. Governments in the advanced economies provided extensive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans and guarantees), and central banks reinforced this with expanded asset purchase programmes, funding-for-lending facilities and, for some, interest rate cuts. The fiscal outlays of the developed countries represented ~80% of the US$ 12.7 trillion fiscal stimulus worldwide, with Germany, Japan and the US accounting for more than 50% of the fiscal stimulus provided globally. However, a second wave of infection across several developed countries, during the last quarter of the year, affected recovery.

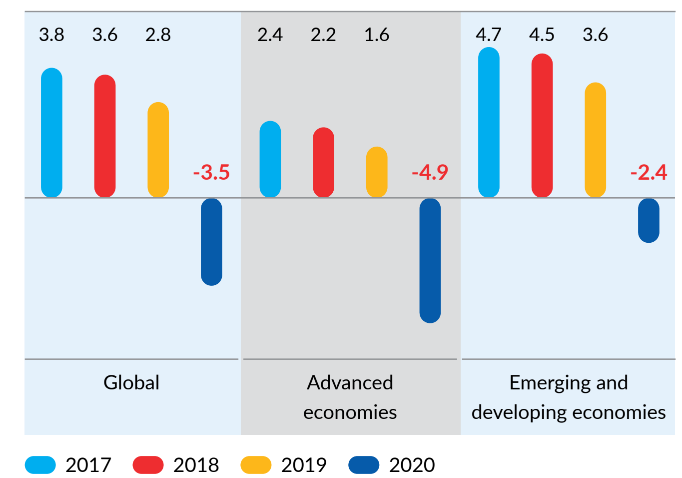
The year ended with the December agreement on the UK's exit from the European Union (EU), eliminating a key downside risk of 'no-deal Brexit' and thus helping ease global trade.

Global activity indicators



[Source: World Economic Outlook, January 2021]

Global output trend



[Source: World Economic Outlook, January 2021]

Emerging markets and developing economies

The pandemic had a relatively less impact on economic performance in the emerging markets, with output estimated to decline by ~2.4%. The Chinese economy grew by 2.3% in 2020 owing to effective control of the spread of COVID-19 and public investment-led stimulus.

Africa experienced an unprecedented economic downturn, with the pandemic adversely impacting the long-term development of the continent. Domestic lockdowns to control the virus spread, lower external demand, together with lower commodity prices, collapse of tourism and lower remittances set off severe economic disruptions.

Outlook

Going forward, the extent of global recovery is expected to be uneven. The severity of the health crisis in each country, the degree of disruptions to economic activities (related to the structure of the economy and its reliance on contact-intensive sectors), exposure to cross-border spillovers and the effectiveness of policy support to limit the damage will determine the rate of recovery.

However, the stronger than expected recovery in the second half of 2020 is expected to drive a positive global output growth at 5.5% in 2021 and 4.2% in 2022. In line with the global output recovery, global trade volumes are expected to grow by about 8% in 2021. However, the recovery in service trade is expected to be slower than merchandise volumes, which is consistent with subdued cross-border tourism and business travel.

The growth optimism is also derived from the vaccination drive that has started in several countries. This, along with a visible increase in the effectiveness of therapies, could raise expectations of a faster end to the pandemic and generate stronger consumption, investment and employment recoveries.

India

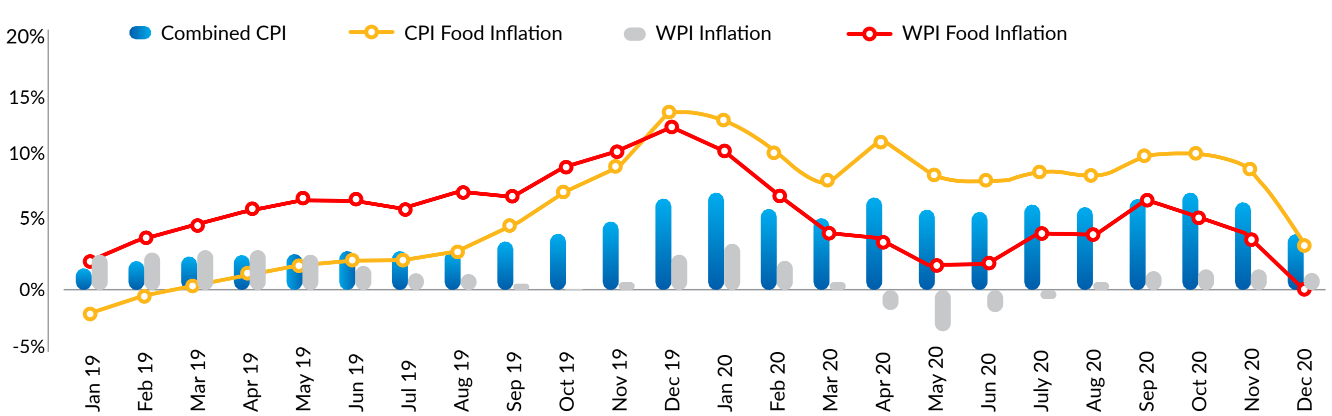
India continues to be the fifth-largest economy in the world. The economy was faced with structural slowdown in 2019-20, which resulted in a six-year low GDP growth. With the outbreak of the COVID-19 pandemic, India implemented strict lockdown and other containment measures to control the spread of the virus. This restricted economic activities and slashed domestic consumption. The services sector, mostly in the urban areas, was disproportionately impacted by the pandemic, thereby negatively impacting consumption.

The lockdown led to a 23.9% decline in GDP during Q1 FY 2021, followed by a 'V'-shaped recovery in the second quarter owing to a faster recovery across economic indicators. According to the Economic Survey 2020-21, the Indian economy is estimated to have contracted by 7.7% against a growth of 4.2% reported in 2019-20, reflecting a sharp drop in household spending and private investment. The decline in GDP was sharp at 15.7% during the first half of the year, whereas the second half of the year was estimated to report a degrowth of just 0.1%.

During the second half of the year, there was a steady recovery in power demand, e-way bills, GST collection and steel consumption, among others. A strong growth in commercial paper issuances, easing yields, and sturdy credit growth to MSMEs helped revamp credit flows for enterprises to survive and grow.

Inflation remained above 6% for much of the year, largely driven by strong food prices. The softening of inflation during December 2020, reflected easing of supply-demand constraints, mainly driven by a steep fall in food prices, particularly of vegetables, cereals and protein products and favourable base effects.

Inflation trend in India



[Source: Economic Survey 2020-21]

In a bid to make India self-reliant and fight against the impact of COVID-19, the Prime Minister of India announced stimulus packages worth ₹ 20 lakh crores or 10% of India's GDP towards Atmanirbhar Bharat Abhiyan. The government announced additional packages under the programme in September 2020 and November 2020.

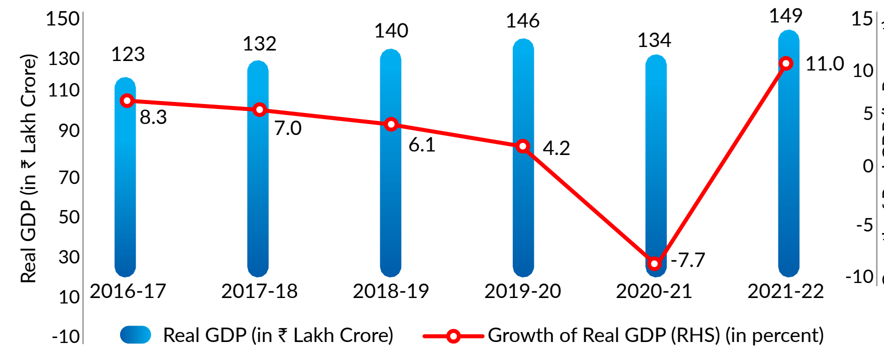
To tackle the impact of the pandemic, the monetary policy was significantly eased March 2020 onwards. The repo rate saw a cumulative cut by 115 bps from March 2020, with the first cut of 75 bps being announced in the Monetary Policy Committee (MPC) meeting in March 2020 and a 40-bps cut being announced in the second meeting in May 2020. Though the rate remained fixed in the subsequent meetings, the liquidity position was improved substantially. The Reserve Bank of India (RBI) undertook several conventional and unconventional measures, such as Open Market Operations, Long Term Repo Operations, Targeted Long Term Repo Operations among others to ease liquidity.

Outlook

After a disruptive 2020-21, India's real GDP is projected to record a growth of 11% in 2021-22 and nominal GDP is expected to grow by 15.4%. The optimism is fuelled by the continued normalisation of economic activities, as the rollout of COVID-19 vaccines gathers traction. This is expected to be further supported by supply-side push from reforms and easing of regulations, incremental infrastructural investments and manufacturing sector boost through productivity-linked incentive schemes, recovery of pent-up demand for the services sector, growth in discretionary consumption following the rollout of the vaccines and acceleration in credit owing to adequate liquidity and low interest rates.

The country has approved two indigenously manufactured vaccines for emergency use. The smooth rollout of the vaccines provides optimism on both health and economic fronts, with hopes of a strong rebound in the services sector, private consumption and investment.

Real GDP of India



[Source: Economic Survey 2020-21]

Industry insight

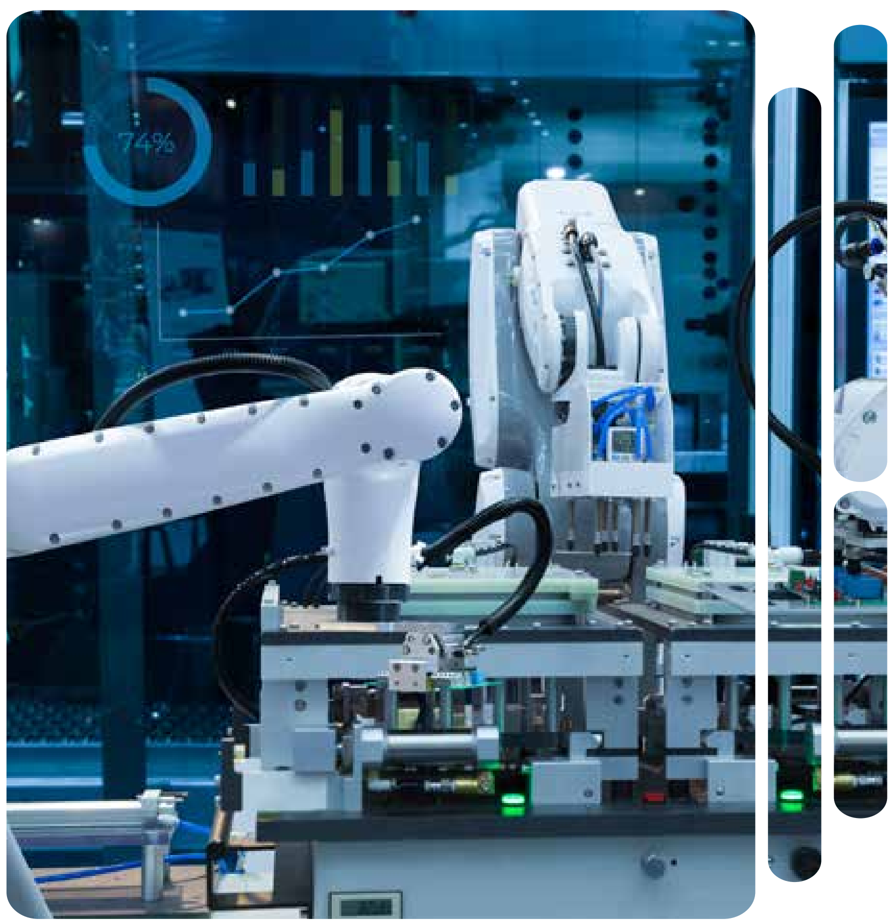
Global information technology sector

The worldwide IT spending is projected to total US$3.9 trillion in 2021, an increase of 6.2% from 2020, according to the latest forecast by Gartner, Inc. Worldwide IT spending declined 3.2% in 2020 as CIOs prioritised spending on technology and services that were deemed 'mission-critical' during the initial stages of the pandemic.

Worldwide IT spending trend (in millions of US$)

	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)	2022 (F) Spending	2022 Growth (%)
Data centre systems	2,14,985	0.0	228,360	6.2	236,043	3.4
Enterprise software	4,65,023	-2.4	505,724	8.8	557,406	10.2
Devices	6,53,023	-8.2	705,423	8.0	714,762	1.3
IT services	1,011,795	-2.7	1,072,581	6.0	1,140,057	6.3
Communications services	1,349,891	-1.7	1,410,745	4.5	1,456,637	3.3
Overall IT	**3,694,867**	**-3.2**	**3,922,833**	**6.2**	**4,104,906**	**4.6**

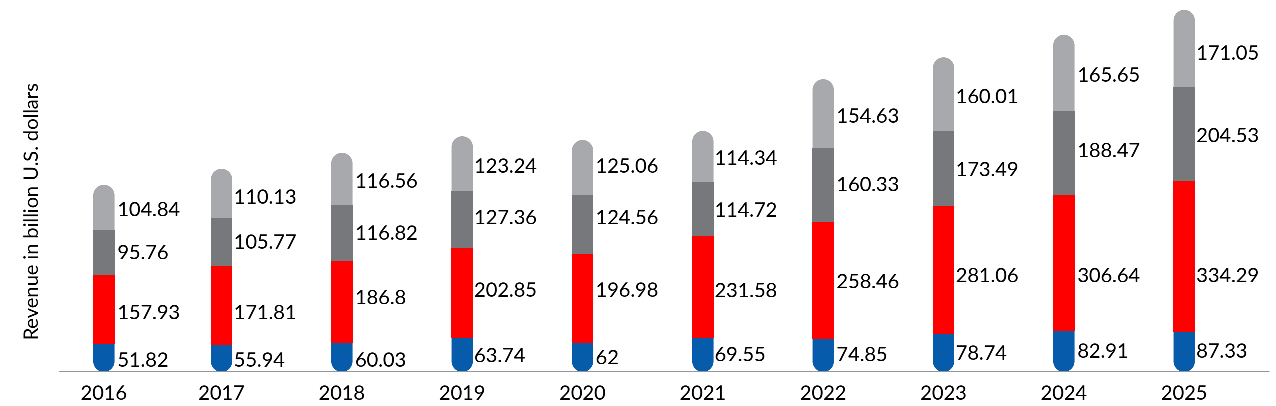
F: Forecasted [Source: Gartner]



Did you know?

Hexaware has been helping some of the leading industry platform providers to re-engineer their platform using the most advanced cloud-native technology

Revenue of the software market worldwide between 2016 and 2025, by segment (in billion US$)



In 2020, the global IT industry faced a minor slowdown in its overall revenue growth owing to the pandemic. As of August 2020, the International Data Corporation (IDC) projected revenues of US$ 4.8 trillion for 2020, revised down from its original estimate of US$ 5.2 trillion.

Growth driven by Enterprise Solutions and data centres

On the back of incremental focus on digitisation and the adoption of remote working, a strong enterprise software is essential. Good governance is achieved by increasing transparency across the organisation, and enterprise software would help drive the rebound story of IT in 2021.

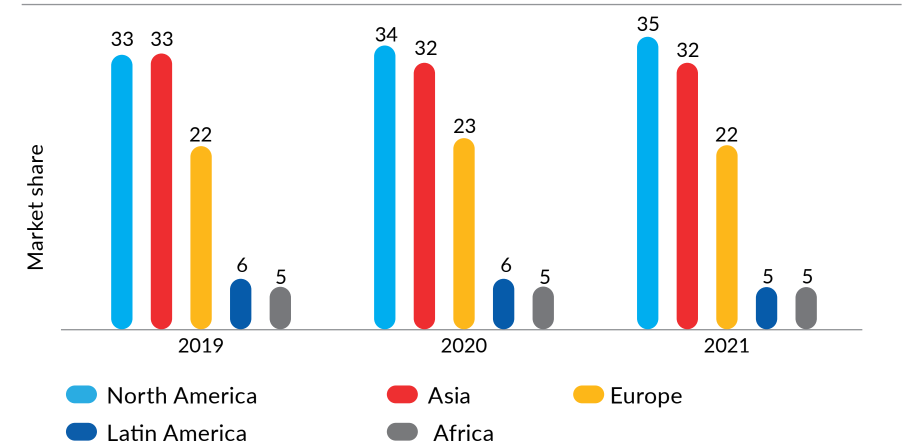
Enterprise software has the largest market share in the overall software market across the world, with revenues amounting to US$ 200 billion+ in 2019, which is expected to have degrown to just below the US$ 200 billion mark in 2020.

Data centres are expected to be the second-biggest driver of IT spending across the globe owing to the increasing need of infrastructure for storing a humongous volume of data an organisation gathers while it inculcates the culture of working remotely.

North America continues to dominate the global IT industry

The biggest contributor to the global IT industry is North America, with a market share of 34%, followed by Asia.

Region-wise market share (%)



[Source: Gartner, Statista, World Bank, Bloomberg, GSMA, Ericsson, IDC]

Key focus areas

Cloud

Cloud has been imperative for organisations operating across the world, especially post-pandemic. Digital business transformation has entered a more challenging and urgency-driven era post the pandemic. Global IT companies have been providing customers with cost-effective and efficient digital solutions owing to the liquidity crunch across most sectors. The sudden shutdown of offices, schools and enterprises have further increased the demand for cloud solutions and services. On the back of these drivers, the cloud computing market is expected to grow from US$ 371.4 billion in 2020 to US$ 832.1 billion in 2025, growing at a CAGR of 17.5%.

SaaS

Software as a Service (SaaS) is a model wherein the software host maintains a server, and the data on the software can be accessed from any device with a valid internet connection. Post-pandemic, the global SaaS market gained immense traction owing to the increasing adoption of remote working by various organisations across the world. The SaaS market is estimated to grow to US$ 219.5 billion by 2027 from US$ 68.2 billion in 2020, growing at a CAGR of 18.2%.

Cybersecurity

Cybersecurity is a priority for every organisation across the world, as each of them adapt to a post-pandemic world marked by increasing adoption of digitisation. Securing remote workers' identities and their individual devices are of utmost importance, with most resorting to working remotely at different locations around the world.

Spending on cloud security tools are projected to increase from US$ 5.6 billion in 2018 to US$ 12.6 billion by 2023. In fact, spending on cloud security solutions is projected to increase from US$ 636 million in 2020 to US$ 1.63 billion in 2023, growing at a CAGR of 26.5%. Further, spending on infrastructure protection is also projected to increase from US$ 18.3 billion in 2020 to US$ 24.6 billion in 2023, growing at a CAGR of 7.68%.

[Source: Forrester, Forbes]

Internet of Things

The global Internet of Things (IoT) services market is estimated at US$ 139.36 billion in 2020 compared to US$ 143.48 billion in 2019, registering a y-o-y degrowth of 2.87%. The decline is mainly due to the outbreak of COVID-19, to contain which, various countries adopted voluntary lockdown with norms in place for social distancing, remote-working and the closure of industries and other commercial activities.

The IoT services act as a support to end-user companies by aiding them with increased transparency and efficiency in logistics management, data management and infrastructure. It entails consulting, security and analytics services as per the requirement of the organisation.

Outlook

Going forward, the IT industry is projected to rebound and reach the US$ 5 trillion mark in 2021. The industry is also expected to grow at a CAGR of 5% between 2020 and 2024, riding on the opportunities that COVID-19 has opened up for the IT industry.

COVID-19 has reinforced the importance of driving organisational transformation enabled by technology. On the back of increasing digitisation and increasing number of internet users across the world, various organisations forayed into a digital journey in 2020, during and post-pandemic. This paradigm shift in technology adoption will drive the global IT industry extensively in the years to come.

Key factors impacting 2021 growth of the global IT sector

Negative factors

- Continued COVID-19 effects
- Unexpected shocks
- Postponement of customer purchases
- Squeezing margins and profitability
- Trade turmoil/tariffs
- Labour cost/skill availability
- Disruption/competition from new entities

Positive factors

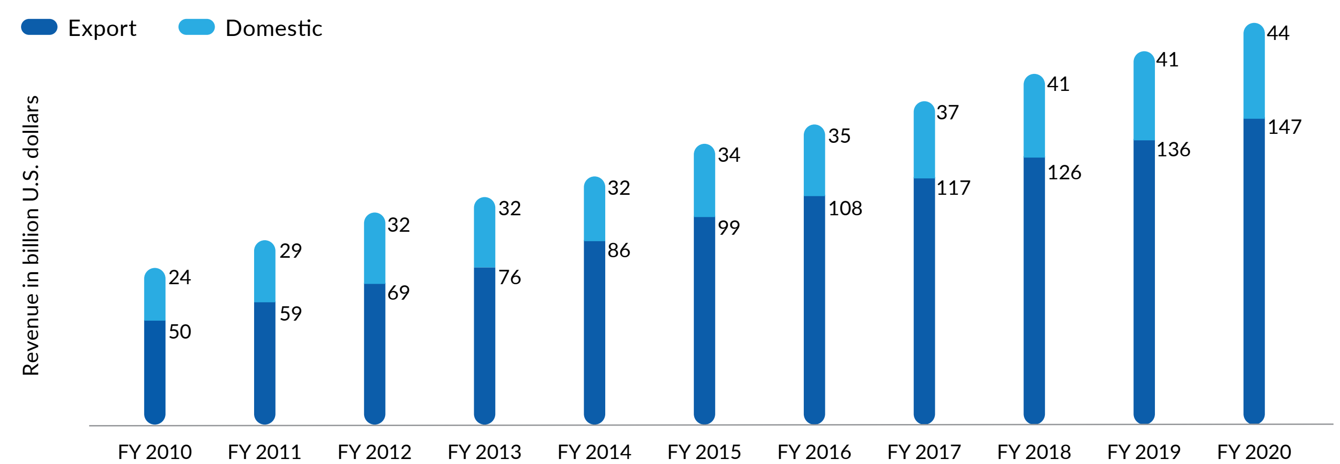
- Growth in existing customer business
- Successfully reaching new customer segments
- Improving internet operations
- Selling new business lines/products
- Improving sales/marketing
- Return to normal commerce patterns
- Positive government actions

[Source: CompTIA IT Industry outlook 2021]

Indian IT industry

The Indian IT and business process management (IT-BPM) industry revenue was estimated at US$ 191 billion for 2019-20, growing at 7.7% y-o-y over 2018-19. The domestic revenue of the IT industry is estimated to have grown by almost 2x to reach US$ 44 billion in 2019-20 compared to US$ 24 billion in 2009-10. Further, the export revenue is also estimated to have grown by almost 3x to reach US$ 147 billion in 2019-20 compared to US$ 50 billion in 2009-10.

Break-up of domestic and exports revenue



The computer software and hardware sector in India attracted a cumulative foreign direct investment (FDI) inflow worth US$ 45.97 billion between April 2000 and June 2020, the second highest FDI inflow in India.

To aid the growth story of the Indian IT industry, the IT spending amounted to US$ 79.3 billion in 2020, which is expected to grow to US$ 81.9 billion in 2021.

India's IT spending trend (in millions of US$)

	2019 Spending	2019 Growth (%)	2020 Spending	2020 Growth (%)	2021 (F) Spending	2021 Growth (%)
Data centre systems	3,738	4.8	3,475	-1.2	3,670	8.3
Enterprise software	6,647	17.1	6,693	7.0	7,415	13.6
Devices	38,279	15.5	26,460	-26.5	26,780	3.8
IT services	15,410	12.6	15,043	3.7	15,838	8.0
Communications services	27,943	1.0	27,592	4.9	28,193	4.8
Overall IT	**92,017**	**9.9**	**79,263**	**-8.4**	**81,896**	**6.0**

F: Forecasted [Source: Gartner, Statista, IBEF, Analytics India, IDC, Nasscom]

Demand drivers

- **Digital India:** Under the guidance of the Ministry of Electronics and Information Technology, the Government of India launched the Digital India initiative in 2015 to ensure the delivery of the government's services through electronic media. Government has increased outlay for the Digital India programme by 23% y-o-y to ₹ 3,958 crores for 2020-21. Further, the government has also increased provision for the promotion of electronics and IT hardware manufacturing with the help of a modified special incentive package scheme, electronics development fund and electronics manufacturing cluster to ₹ 980 crores from ₹ 690 crores in the current fiscal.
- **Organisational spending:** An increase in organisational IT spending is expected on technologies, including advanced analytical solutions, access management, encryption software, desktop as a service, cloud and hyperautomation enabling systems. IT solutions, such as robotic process automation (RPA), artificial intelligence (AI), machine learning (ML) and digital commerce, will also experience an increase in spending.
- **SaaS:** The Indian SaaS market has seen a paradigm shift over the past few years, and during this period the number of funded SaaS companies in the country has grown by 2x. The heritage SaaS companies in India have been growing at a fast pace and are expected to increase their revenues to US$ 18-20 billion by 2022, capturing 7-9% market share of the global SaaS industry. This growth is expected to be encouraged by the frugalness of operating in India, given the lower manpower cost required to create a large pool of diversified skilled talent.
- **AI:** Indian AI market was valued at US$ 6.4 billion by the end of August 2020. On a sector-basis, the IT and services sector account for the highest market share of AI services, which is pegged at 41.1%, followed by the technology sector (software and hardware firms) at 23.3% and Banking Financial Services and Insurance (BFSI) sector at 9.6%.
- **Cloud service:** Low cost of entry provided by public cloud services has made adoption to cloud services easier for Indian organisations. Owing to the increase in the number of cases of cyberattacks against organisations, the spending on cloud management and security services is expected to increase from US$ 3.1 billion in 2020 to US$ 4.1 billion in 2021, growing at 29.4% y-o-y.

Outlook

The IT industry revenue is expected to reach US$ 350 billion by 2025 on the back of increasing digitisation, increasing mobile penetration and affordable data cost, among others. India's cloud market is expected to grow 3x to reach US$ 7.1 billion by 2022, driven by the demand for Big Data, Data Analytics, AI and IoT. The increasing adoption of AI is expected to drive India's annual growth rate by 1.3% by 2035, as per NITI Aayog. A substantial increase in adoption of AI by Indian firms could also help India bounce back in the race of being one of the fastest growing economies in the world. The software and hardware sector in India, aided by the incremental focus of the government on digital economy, is estimated to reach ₹ 69,89,000 crores (US$ 1 trillion) by 2025.

Increasing IT spending is expected to drive the Indian IT industry. The biggest sectors driving IT spending are enterprise software, data centres and IT services, growing at 13.6%, 8.3% and 8% respectively.

About the Company

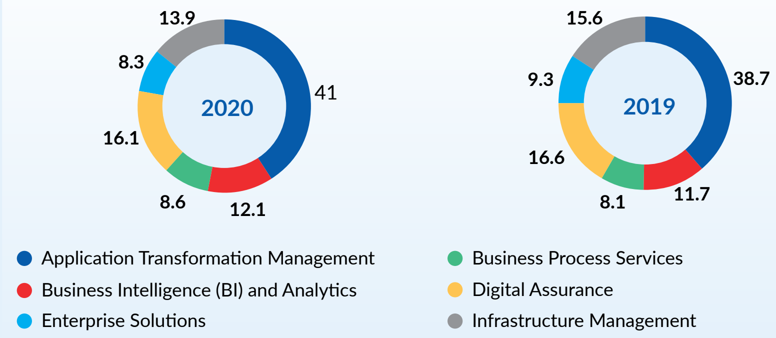
Overview

Hexaware is one of the fastest growing next-generation providers of IT, BPO and consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Hexaware services customers in over two dozen languages, in every major time and regulatory zones. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

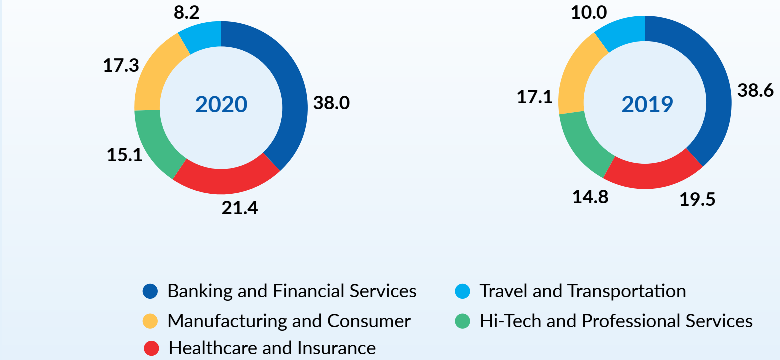
Key sectors where we operate	Banking and Financial Services	Healthcare and Insurance	Hi-tech and Professional Services	Travel and Transportation	Manufacturing and Consumer

Key services we offer	Application Transformation Management	Business Intelligence (BI) and Analytics	Business Process Services	Digital Assurance	Enterprise Solutions	Infrastructure Management Services

Service-wise revenue break-up (%)



Segment-wise revenue break-up (%)



Performance in 2020

The year 2020 was marred by challenges posed by the COVID-19 pandemic. During the pandemic, our focus was on working proactively to support our customers, employees and communities in the near-term (to grapple with the immediate challenges), as well as in the long-term by creating a sustainable road map for the future. We leveraged technology innovation to help businesses deliver continuous support for our customers; ensured that our employees got to balance social distancing and safety needs with productivity parameters and undertook concrete initiatives to keep our communities safe, connected and informed.

During the year, we reported 6.5% growth in revenues (in US$ terms) over 2019, while EBITDA (before RSU cost) for the year reported a growth of 17.3% over 2019. We won new logo deals worth US$ 302 million – the highest win ever. Our performance during a challenging year reflects the successful execution of our growth strategy and the growing acceptability of our offerings.

With an aim to grow further in the new normal post-COVID situation, we have launched four themes around touchless and immersive customer experiences, digital leapfrogging and resilience on cloud, engaging the anywhere employees and automation-led sustainable cost takeout.

During 2020, our promoters decided to voluntarily delist the publicly traded shares from the Stock Exchanges and acquire all the equity shares that are held by the public shareholders. The decision was made to enable the promoters to obtain full ownership of the Company to provide increased operational flexibility to support the business and save costs.

Our strategy

We believe that the global pandemic has necessitated increased spending by clients on digital transformation of their organisations. We have been constantly working on offerings that enable our clients achieve operational excellence and customer delight by 'Powering Man Machine Collaboration'. We embarked on a journey of transfiguring the experiences of our customers by leveraging our industry-leading delivery and execution model, built around the three pillars of our strategy—'Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™.

Our unique automated application transformation platform AMAZE™, launched in June 2020, is a suite of solutions providing smart cloud upgrades to monolith applications without changing their existing business functionality and utilising maximum automation to save on manual efforts.

During the year, we partnered with Zendesk to help transform digital experiences for our customers and their employees through futuristic solutions that provide quick implementations, swift resolutions and real-time insights, allowing them to deliver successful digital transformations, thereby further accelerating our Transform Customer Experiences™ strategy.

Core business strategies

Automate Everything™

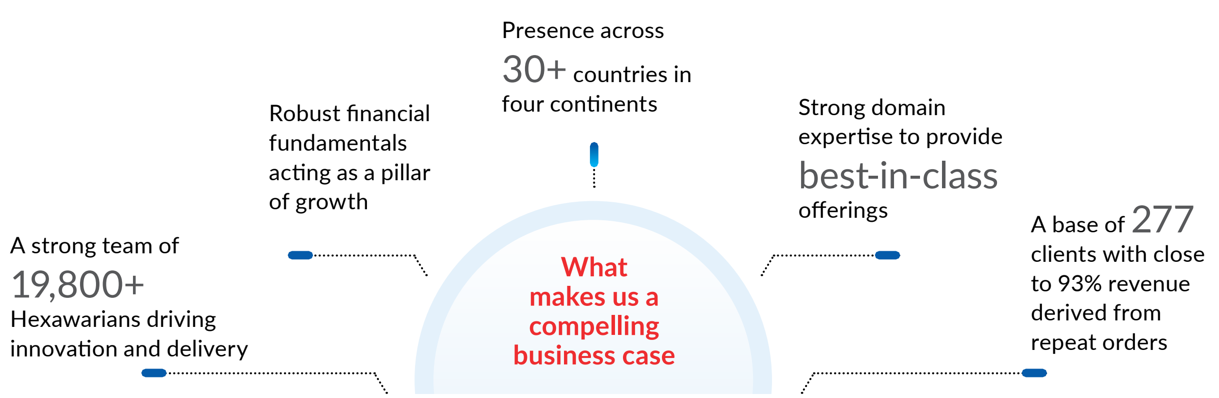
Automation is a key focus area of Hexaware, as we aim at minimising human interventions to significantly improve user experience. The organisations of today are integrating automation across the value chain for a powerful impact and not just lowering cost and enhancing efficiency. Increasing use of technologies, such as AI and ML, will enable automation across enterprises, including high-complexity tasks that require human decision making.

Cloudify Everything™

Cloud is becoming increasingly important in today's business context owing to its ability to optimise operational cost and bring speed and accuracy to functions within the organisation. It has emerged as the foundation of a digital enterprise and is helping organisations to transform from an analogue enterprise to a digital leader in the post-pandemic world. Cloudify Everything™ is our outcome-driven strategy to enable organisations to reap the benefits of cloud transformation using automation, managed services and blueprint templates for building cloud architectures and ringing in cultural change.

Transform Customer Experiences™

Providing great customer experience is a key differentiator that sets an organisation apart from its competitors and provides the foundation for robust growth. We help our clients adopt customer intimacy, transform their end customers' experiences and deliver consistently to make it their competitive advantage and fast-track their growth journey.



[For more details on our strategies, refer to page 3 of the Annual Report 2020]

Creating a team of empowered employees

Human resource is the key to long-term growth for a company offering IT services. At Hexaware, we foster a happy and open culture. We employ more than 19,800 individuals belonging to diverse nationalities and cultures. We promote a fair and just human resource practice balancing work and play. Our #We Different programme embraces diversity and creates an environment of inclusiveness, engagement and acceptance.

We ensure that our employees are abreast of the latest trends in the industry and impart necessary development and training opportunities to equip them with additional skills to offer value-addition to our customer proposition.

The onset of the COVID-19 pandemic required us to take prompt actions to safeguard our employees. We ensured a smooth transition to work from home. As on 31 December 2020, more than 95% of our revenues were derived from working from home.

[For more details on our people initiatives, refer to page 42 & 43 of the Annual Report 2020]

Strengthening intellectual capabilities

We have invested in a state-of-the-art research and innovation wing, helping us create unique intellectual properties for the Company. Our key goal is to translate the business domain technology expertise acquired through a wide array of engagements to tools for mitigating technology and project risks of our customers.

The Company has state-of-the-art labs, which include R&D Lab and offering engineering lab. The R&D Lab is an incubation unit for new technology services. It focuses on future trends with the primary focus on future proofing the organisation and its customers. Offering engineering lab is the delivery hub for building and maintaining Hexaware's IP's and solutions that powers our service offerings.

Hexaware has created a team of innovation architects, full stack developers and consultants by rotation working in the labs to exchange ideas and produce the desired results.

We have initiated Bottom-Up Disruption (BUD) to crowdsource ideas and bring them to reality. We had launched Brainbox, an idea-bank for Customer Value Addition (CVA) and are doing something new every day for our customers. More than 62% of our employees participated in Brainbox during 2020, helping bring client-centric innovation.

822
Ideas implemented through Brainbox

Fostering relationship with our key stakeholders

We value fostering close relationships with all stakeholders. Our purpose is to deliver innovative products and services that bring a better quality of life, health and well-being to people everywhere.

Fostering relationship with customers

At Hexaware, we believe in creating superior customer experience through our tailor-made offerings and excellent servicing. Even during the pandemic, we quickly transitioned to work-from-home mode and provided seamless experience for our customers.

We established the following principles while working with our customers during the pandemic:

- Put the relationship before the contract
- Act first in the interests of customers, discuss commercial impacts later
- Communicate effectively and be transparent about our challenges
- Remember that the crisis will eventually pass, but the relationships will last forever

Our customers have been delighted with our high levels of productivity, engagement and commitment. According to Independent third-party survey, more than 93% of the respondents provided positive feedback on us.

Customers where we coexist with other service providers have clearly seen the difference between what we brought to the table and what some of our competition brought to the table. We believe this crisis has helped us cement relationships with our customers, build better trust and credibility. And as a result, when the bounce happened post crisis, we were able to gain market share. We have number of clients sending daily mails praising our delivery quality during the work-from-home scenario.

Case study

Committed to deliver

One of the leading global airlines partnered with Hexaware on the airline digital transformation initiative to replace IBM, TPF and PSS applications with products from the Amadeus Altéa suite in the digital assurance space. The key objective was to ensure safe, secure and reliable operations during transition.

The scope involved implementing approximately 182 applications and products, including 23 Amadeus products to be integrated with 24 other applications while following an aggressive timeline. The engagement also included designing, developing and implementing nine new applications, integrating 57 of the impacted applications with the new ecosystem and providing rollout support and customer service desk support.

The implementation day saw 100% on-time flight departures on the new Passenger Service System. The new system gave our client a competitive edge including the followings:

- Reusable digital assets resulting in 35% increased productivity
- 30% faster time to market for new features
- 50% faster onboarding for new employees
- Substantial revenue uplift on an annual basis

Fostering relationship with suppliers

We work with large number of vendors and suppliers across various products and services. The suppliers are selected based on the nature of products and services, quality, capability, cost, delivery commitment and compliance with the regulatory norms.

With an aim to promote the local economy, we prefer selecting local suppliers for outsourcing jobs such as facilities management, procurement of materials for infrastructure development and other operations. Our well-equipped procurement team provides regular feedbacks to the suppliers in order to help them bring best practices to their operations.

We interact with the suppliers regularly and educate them on the quality standards and the importance of making them a partner in our requirements and service us better.

Fostering relationship with investors

We engage regularly with our domestic and international investors, including our shareholders, analysts, employees and the society at large through multiple channels of communication.

During the year, we received the final approval from BSE Limited and National Stock Exchange of India Limited for delisting of shares from the exchanges, and subsequently trading in the equity shares of Hexaware Technologies Limited (Scrip Code: 532129 and HEXAWARE respectively) has been discontinued. The Company is delisted from BSE Limited and National Stock Exchange of India Limited w.e.f. November 9, 2020.

Our audited financial results, press releases and the quarterly presentations were made available to institutional investors and analysts, and other intimations are posted on the website—www.hexaware.com.

Members of the senior management of the Company periodically participate in forums such as investor conferences and investor road shows. They also took part in the quarterly calls with equity analysts and investors. The transcripts of our earnings call and media presentations are available on the website of the Company.

Caring for the community

We have been active in taking care of our communities and have made community development part of our overall corporate objective. Our annual strategic roadmap provides the guidelines for initiatives to fulfil our responsibility towards our communities. We also encourage our employees to voluntarily participate in community-empowering initiatives.

Our key community development activities revolve around the following:

- Education and women empowerment
- Environment
- Health and sanitation
- Sports, arts and culture
- Skill development
- Supporting large-scale causes such as disaster relief or any other cause as determined by Hexaware's CSR Committee

During the pandemic, we undertook the following initiatives for the community:

- Distributed one-month dry rations to 1,650 families who are affected by the prevalent situation in Chennai, Mumbai, Pune, Delhi and Nagpur and provided cooked food to 65,000 personnel who doesn't have the amenities to cook
- Provided nearly 30,000 PPE kits to government hospitals in Chennai, Mumbai, Pune and Haryana
- Provided safety kit to 20,000 police personnel in Chennai, Mumbai and Pune
- In District Civil Hospital, Raigad, the general ward was converted into a full-fledged facility for Covid-19 care, with 40 beds ICU facility and 57 beds with oxygen supply
- Provided three Max Proton Plus ventilators to NESCO ICU Beds Project. BMC has done a commendable job setting up additional bed capacity for COVID care.
- The facilities of Kotagiri Medical Fellowship Hospital were upgraded with all medical equipment like Ventilators, ECG machine, Defibrillator, Injection pumps and so on in wards and in ICU to ensure the best possible care is being provided to sick patients who visit the hospital from the Nilgiris district
- Provided 73 laptops to girl students from economically weaker sections, mainly in Lady Shri Ram College, Delhi University
- Provided 325 tablets to the AIFT's students studying in government schools, with the supplementary classes using the tablets. These tablets will be issued with Byju's content and DE programme's edukit. AIFT will ensure the implementation of the programme until the end of this academic year. Post pandemic, AIFT will set-up a tab-lab in schools using these Tablets
- **KareRing:** Launched a free software and solution and mobile app for quarantine-zone care management. It enables institutions to provide timely care management to those in quarantine

[For more details on our community initiatives refer to page 46 & 47 of the Annual Report 2020]

COVID-19: our response to sustain business operations

The COVID-19 pandemic has impacted businesses and lives across the globe. It created a climate of uncertainty on how businesses work and how to navigate change. We aimed at supporting our key stakeholders—customers, employees and communities.

We activated our Business Continuity Policy and Crisis Management Standards across locations to help us navigate through this challenging situation and ensure minimal disruption to our operations.

We formed a cross-functional taskforce with representatives from various business functions such as IT, Facilities, HR, Compliance and Communication among others. This taskforce closely monitored the situation and worked in accordance with the information and guidelines provided by the government and other global agencies such as the World Health Organisation, Centers for Disease Control and Prevention (CDC) among others.

Regular communication with clients and partners was maintained to update them on our preparedness and response.

We constantly engaged with employees to help them with emotional support and health guidance, as needed.

[For more details regarding impact and response of the COVID-19 pandemic, refer to page 48 & 49 of the Annual Report 2020]

98,000

Lives were touched during COVID-19 through Hexaware's CSR initiatives

Managing risks and uncertainties

Amidst the changing landscape of the IT industry, it is crucial for us to be prepared for change; identify, analyse and mitigate risks; and implement the necessary mitigation strategies. We have set up a robust risk management policy to safeguard our business and continue creating value.

Risk management policy

Our risk management policy aims to achieve the following objectives:

- Enable visibility and oversight of the Board on the risk management system and material risk exposures of the Company
- Ensure all risks across the organisation are identified and evaluated through a standardised process and consolidated to identify the key risks and enable risk prioritisation
- Ensure mitigation plans for key risks are agreed upon, assigned to risk owners and reviewed on a periodic basis
- Ensure that risks are reported at all levels in the organisation as per their relevance and significance
- Ensure that the risk governance structure is aligned with the organisational structure and risk profile with well-defined and delineated roles, responsibility and delegation of authority
- Enable transparency of risk management activities with respect to internal and external stakeholders
- Enable adherence to appropriate compliance and regulatory requirements, wherever applicable, through the adoption of leading practices
- Assist in safeguarding value and reputation by avoiding unpleasant shocks and surprises

Risk management process

Risk management is the responsibility of everyone in the organisation and applies to all functions and operations. The Chief Risk Officer (CRO) oversees the enterprise risk management function and works closely with the respective risk owners.

In Hexaware, risk management is iterative. An iteration of the risk management process is triggered when:

- The business sets a new goal, undertakes a project or an investment or revisits its strategy for the coming years
- Conditions exterior to Hexaware change significantly, e.g., regulatory or legal changes, major changes in competitive landscape, changes to key partnerships, etc.
- Risk reviews of governing documents, contracts or other sources are conducted periodically

The primary objective(s) of the risk management process is to ensure that:

- Risks faced by the organisation are identified and recorded in the risk register, enabling the top management to take a comprehensive view of the same
- Risks identified are assessed, mitigated, monitored and reviewed on an ongoing basis

The Board is responsible for the risk framework. It approves the entity-level risk appetite and ensures that risk controls are built into the management's approach to operations.

Our Audit Committee assesses the effectiveness of the risk management systems and undertakes an independent review of the risk mitigation plans. It ensures that risks are identified using both a 'top-down' and 'bottom-up' approach to ensure that risk registers are comprehensive.

Broad classification of risks

	Type	Description
1	Strategic	Risks of failing to achieve the organisation's business objectives
2	Operational	Risks associated with the internal resources, systems, processes and employees of the organisation (i.e., people, process and technology)
3	Compliance	Threat posed to the Company's financial, organisational, or reputational standing resulting from violation of laws, regulations, code of conduct or organisational standards of practice

We have prioritised 11 key risks and created effective mitigation strategies:

- Regulatory and compliance
- Information and cyber security
- Talent availability
- Human resource related
- Increased service cost
- Competition
- Technology change
- Revenue concentration
- Disaster recovery/business continuity
- Data protection and privacy
- Service delivery risk

[For more details on risk management, refer to page 26 & 27 of the Annual Report 2020]

Internal control systems and their adequacy

The Board of Directors at Hexaware is primarily responsible for establishing and maintaining internal financial controls within the Company. This is largely based on the internal controls over financial reporting criteria that has been established by the Company. These are in accordance to the size and nature of our operations and have been designed to provide reasonable assurance on recording and providing reliable operational and financial information, as per the applicable statutes and with regard to compliance norms.

We strictly follow the statute, laws, rules and regulations of the land, which is regularly reviewed by the statutory and internal auditors. The adequate internal control framework identifies and analyses risks and manages appropriate responses. It also ensures stringent compliance across all the business units and departments. The aim behind this is to safeguard the assets, prevent and detect fraud and errors, and also to check the completeness of accounting records and timely preparation of financial statements. The Audit Committee then reviews the audit observations and takes the required follow-up actions. The Statutory Auditor's Report on the adequacy and effectiveness of internal finance controls has been provided in detail on page 146 of this Annual Report.

Financial analysis

The year under review at a glance

Key numbers for FY 2020

6.5%
Growth in revenue (y-o-y) in US$ terms

5.4%
Growth in revenue (y-o-y) in constant currency

₹ 62,621 million
Revenue in INR terms, registering growth of 12.2% over previous year

US$ 140.6 million
EBITDA (post RSU), registering a growth of 12.6% y-o-y basis

₹ 8,005 million
Profit before tax registering growth of 2.72% y-o-y basis

₹ 20.77
EPS (Basic)

34%
Dividend payout ratio

₹ 2,092.34 million
Total dividend paid

The key financial ratios are disclosed on page 54 of the report.

Consolidated Balance Sheet

1. **Property, plant and equipment (PPE) and intangible assets**
   a) Total additions to PPE and intangibles were ₹ 1,664.04 million, mainly in buildings of ₹ 662.12 million largely at Chennai, Noida, Bangalore and Pune campuses; leasehold improvement of ₹ 80.69 million; plant and machinery including computer of ₹ 371.12 million; furniture and office equipment of ₹ 51.76 million and ₹ 190.02 million, respectively, largely at Chennai, Pune and Mumbai locations.
   b) The additions also include ₹ 34.93 million towards software licenses and ₹ 273.40 million towards customer contracts/ relations from business acquisition during the year.
   c) Capital work in progress (CWIP) stood at ₹ 102.43 million as on December 31, 2020 as compared to ₹ 863.32 million as on December 31, 2019. The CWIP is largely reduced due to capitalisation in respect of infrastructure development at Chennai, Mumbai, Pune and Bangalore locations.
   d) The Company has provided adequate depreciation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013.

Goodwill and business combination

Goodwill recognised in the financials is ₹ 12,044.04 million in FY 2020 as against ₹ 11,760.88 million in FY 2019, an increase of ₹ 283.16 million on account of translation exchange rate difference.

Right-of-use assets

Right-of-use assets recognised in the financials is ₹ 4,327.61 million in FY 2020 on account of application of Ind AS 116 w.e.f. January 1, 2020. Under IndAS 116, the group capitalises the operating leases with corresponding lease liability. The said capitalised value i.e. right-of-use asset is amortised (Refer note 3.1 of consolidated financial for the details of lease accounting).

2. **Investments**
   a) Investment in Associate represents 20% ownership interest. During the year, the Group sold off the investments.
   b) The Company has invested ₹ 4.58 million in shares of Beta Wind Farm Limited – a Company engaged in generation of renewable energy. Investment is of strategic nature to avail benefit of renewable energy in Chennai.

3. **Other financial assets**

(₹ million)

	Non-current		Current		Total		Change
	2020	2019	2020	2019	2020	2019	
Interest accrued on bank deposits	0.54	0.57	0.63	0.22	1.17	0.79	0.38
Receivable from service provider	-	-	-	15.49	-	15.49	-15.49
Derivative assets	178.09	49.9	265.79	228.49	443.88	278.39	165.49
Restricted bank balances	116.85	62.9	-	-	116.85	62.9	53.95
	295.48	113.37	266.42	244.20	561.90	357.57	204.33

   a) Increase of ₹ 165.49 million in foreign currency derivative assets (mark-to-market gain on forward exchange contracts and interest rate swaps derivatives designated as hedges) due to favourable exchange rate movement, as compared to the hedge rate (Refer note 26.3 of consolidated financial for the details of derivative).
   b) Restricted bank balance increased by ₹ 53.95 million – comprising mainly bank deposits placed as security.

4. **Deferred tax asset**

Deferred tax assets (net of deferred tax liability) increased to ₹ 1,926.77 million from ₹ 1,437.20 million, an increase of ₹ 489.57 million. The Company records net positions as assets and liabilities based on tax jurisdictions considering rights to offset. Note no. 11 of the Consolidated Financial Statements provides components of assets and liabilities.

5. Income tax assets (net)

It represents income tax paid excess of liability receivable from the tax authorities.

a) Non-current portion of income tax receivables increased to ₹ 538.68 million in FY 2020 from ₹ 380.14 million in FY 2019, an increase of ₹ 158.54 million.

b) Current portion of income tax receivable decreased to ₹ 118.31 million in FY 2020 from ₹ 131.95 million in FY 2019, a reduction of ₹ 13.64 million.

6. Other assets

(₹ million)

	Non-current		Current		Total		Change
	2020	2019	2020	2019	2020	2019	
Capital advances	1.38	17.41	-	-	1.38	17.41	(16.03)
Contract assets	66.24	95.11	70.67	59.62	136.91	154.73	(17.82)
Prepaid expenses relating to leasehold land	-	527.64	-	0	-	527.64	(527.64)
Other prepaid expenses	4.24	59.19	811.91	742.77	816.15	801.96	14.19
Indirect taxes recoverable	125.38	124.56	68.28	159.52	193.66	284.08	(90.42)
Employee advances	-	-	91.22	87.24	91.22	87.24	3.98
Others	-	-	20.39	22.47	20.39	22.47	(2.08)
	197.24	823.91	1,062.47	1,071.62	1,259.71	1,895.53	(635.82)

Other assets reduced to ₹ 1,259.71 million from ₹ 1,895.53 million, reduction of ₹ 635.82 million mainly on account of the following.

a) Decrease in other prepaid expenses of ₹ 527.64 million is on account of reclassification to right-of-use assets on account of application of Ind AS 116.

Further, there was decrease in indirect taxes recoverable by ₹ 90.42 million, capital advance by ₹ 16.03 million and contract assets by ₹ 17.28 million.

b) Above decrease was partially offset by increase in prepaid expenses and employee advances by ₹ 14.19 million and ₹ 3.98 million, respectively.

7. Trade receivables and unbilled

Trade receivables as on December 31, 2020 stood at ₹ 8,140.00 million as against balance of ₹ 9,795.61 million as on December 31, 2020, a decrease of ₹ 1,655.61 million. Day's sales outstanding (DSO) stood at 48 days compared with 64 days at the end of FY 2019.

Unbilled revenue stood at ₹ 3,244.95 million as on December 31, 2020 as compared to ₹ 3,535.47 million as on December 31, 2019, a decrease of ₹ 290.52 million.

DSO with unbilled stood at 68 days as on December 31, 2020 as against 87 days as on December 31, 2019 (computed based on Q4-2020 revenues in US$).

8. Cash and cash equivalent and other bank balances

Cash and cash equivalents aggregate to ₹ 10,114.45 million as on December 31, 2020, an increase of ₹ 7,798.02 million from ₹ 2,316.43 million as on December 31, 2019. Increase is largely reflective of better cash management including lower DSO.

Other bank balances representing balances held for the unclaimed dividend stood at ₹ 147.27 million at the end of FY 2020 as compared to ₹ 149.11 million at the end of FY 2019.

Total cash and bank balance including restricted bank balances was ₹ 10,378.57 million as on December 31, 2020, equivalent of US$ 142.04 million.

9. Share capital

The paid-up share capital of the Company as on December 31, 2020 was ₹ 600.66 million comprising 300,330,455 Equity Shares of ₹ 2 each. During the year, 1,946,134 shares were allotted under ESOP plans.

10. Other equity

Other equity comprises reserves and surplus and other comprehensive income.

Total other equity increased by ₹ 4,699.97 million to ₹ 31,757.83 million as on December 31, 2020 from ₹ 27,057.86 million as on December 31, 2019.

Reserves and surplus included in the other equity includes retained earnings, securities premium, general reserve and other reserves comprising share option outstanding account, capital reserve, capital redemption reserve and special economic zone (SEZ) re-investment reserves.

a) The securities premium balance increased by ₹ 444.21 million on transfer from stock option outstanding account on exercise of stock options by the employees.

b) Special Economic Zone (SEZ) re-investment reserve: During the year, the Company transferred ₹ 638.45 million to SEZ reserve from the balance in retained earnings and ₹ 258.25 million from the SEZ reserve to the retained earnings being utilised for acquisition of plant and machinery. The closing balance as on December 31, 2020 is ₹ 380.20 million.

c) Share option outstanding account increased by ₹ 16.88 million. During the year, the Company recorded ₹ 461.09 million of stock-based compensation in relation to its RSU plans and transferred ₹ 444.21 million to securities premium on exercise of stock options.

d) The general reserve balance remained same at ₹ 2,144.05 million.

e) Retained earnings balance increased by ₹ 3,501.51 million. Profit for the year was ₹ 6,215.00 million, other comprehensive loss for the year being part of retained earnings was ₹ 85.79 million representing actuarial loss net of tax effect thereon, transition impact on account of Ind AS 116 resulted in reduction of retained earnings by ₹ 241.71 million.

Dividend distribution during the year was ₹ 2,092.34 million. During the year, the amount transferred to SEZ re-investment was ₹ 638.45 million and amount transferred from SEZ re-investment was ₹ 258.25 million. Tax benefit on share-based compensation was ₹ 86.55 million.

f) Capital redemption reserve balance as on December 31, 2020 remained at ₹ 11.39 million created in accordance with the provisions of the Companies Act, 2013 in relation to the buy-back of shares in an earlier year.

g) Other comprehensive income consists of Currency translation reserve and Hedging reserve balance.

i.) Currency translation reserve is on account of conversion of foreign operations from their functional currency to reporting currency of the Company, which is INR. The balance as on December 31, 2020 is ₹ 2,128.67 million. The same will be transferred to profit and loss on disposal of foreign operations.

ii.) Hedging reserve balance consist of mark-to-mark gain on foreign currency forward contracts and interest rate swaps designated as hedges to hedge the foreign currency risk and interest rate risk. The balance as on December 31, 2020 stood at ₹ 234.29 million net of tax impact as against ₹ 226.06 million as on December 31, 2019.

11. Borrowings

The non-current borrowings increased by ₹ 31.94 million to ₹ 1,461.40 million on account of translation exchange rate difference. This is secured term loan for a tenure of three years. The loan was obtained to partially fund the acquisition of Mobiquity. The current borrowings of ₹ 438.42 million represents working capital facility repayable on demand.

12. Lease liabilities

Lease liabilities include ₹ 4,027.40 million on account of application of Ind AS 116. The non-current portion is ₹ 3,571.78 million and current portion is ₹ 455.62 million. Refer note no. 2.8 and 3.1 of consolidated financial statements

13. Other financial liabilities

(₹ million)

	Non-current		Current		Total		Change
	2020	2019	2020	2019	2020	2019	
Unclaimed dividend	-	-	147.27	149.11	147.27	149.11	(1.84)
Capital creditors	-	1.18	95.34	419.47	95.35	420.65	(325.30)
Deferred contingent consideration	-	-	142.18	3,490.46	142.18	3,490.46	(3,348.28)
Employee liabilities	-	-	2,889.53	2,081.96	2,889.53	2,081.96	807.57
Derivative liabilities	39.52	31.40	34.06	66.79	73.58	98.19	(24.61)
Others	2.30	12.24	-	0.03	2.30	12.27	(9.97)
	41.82	44.82	3,308.39	6,207.82	3,350.21	6,252.64	(2,902.43)

Other financial liabilities decreased to ₹ 3,350.21 million as on December 31, 2020 as compared to balance of ₹ 6,252.64 million as on December 31, 2019, a reduction of ₹ 2,902.43 million.

The decrease was largely due to

i) Reduction in deferred consideration of ₹ 3,348.28 million is largely on payment of entire deferred and contingent consideration for acquisition of Mobiquity.

ii) Decrease in capital creditors by ₹ 325.30 million

iii) Decrease in foreign currency derivative liabilities by ₹ 24.61 million.

The decrease was partially offset by increase in employee liabilities by ₹ 807.57 million.

Unclaimed dividend balance has reduced to ₹ 147.27 million at the end of FY 2020, from ₹ 149.11 million at the end of FY 2019, a reduction of ₹ 1.84 million. This balance represents the dividend not claimed by the shareholders for which the Company maintains adequate bank balance specially earmarked in accordance with the provisions of the Companies Act, 2013.

14. Provisions

a) Non-current

The gratuity liability increased to ₹ 715.80 million as on December 31, 2020 from ₹ 428.40 million as on December 31, 2019. This increase is on account of service cost during the year. The parent Company in India provides gratuity benefits for its employees wherein the plan is funded with the fund balance kept with Life Insurance Corporation of India. The gratuity liability is based on the valuation from the independent actuary. Remaining balance of ₹ 191.86 million (previous year 109.80 million) represents liability towards provident fund determined based on actuarial valuation performed by independent actuary.

b) Current

The balance represents the provision towards compensated absences and other short-term employee benefits. The provision increased by ₹ 416.17 million to ₹ 1,240.93 million as on December 31, 2020 compared to balance as on December 31, 2019 of ₹ 824.76 million.

15. Trade and other payables

Trade and other payables include trade payables and accrued expenses. Total balance as on December 31, 2020 stood at ₹ 4,215.67 million as compared to ₹ 3,839.35 million as on December 31, 2019.

The variance was due to increase in trade payables by ₹ 776.99 million, which stood at ₹ 2,840.36 million as on December 31, 2020 as compared to ₹ 2,063.37 million as on December 31, 2019.

While the accrued expenses reduced by ₹ 400.67 million, which stood at ₹ 1,375.31 million as on December 31, 2020 as compared to ₹ 1,775.98 million as on December 31, 2019.

16. Other liabilities

a) Non-current

Other non-current liabilities that comprise statutory liabilities were ₹ 481.23 million as at end of FY 2020 payable after 12 month.

b) Current

Other current liabilities comprise unearned revenue and statutory liabilities. As of 2020, it stood at ₹ 1,727.25 million as compared to ₹ 955.93 million as of 2019. The change was on account of:

- Unearned revenue balance as at the end of FY 2020 was ₹ 545.80 million compared to ₹ 341.64 million as at the end of FY 2019
- Statutory liability stood at ₹ 1,181.45 million in FY 2020, increasing from ₹ 614.29 million in FY 2019

17. Current tax liability

The current tax liability includes provision for income taxes, net of advance tax. The balance as on December 31, 2020 increased to ₹ 1,168.57 million as compared to balance of ₹ 191.16 million as on December 31, 2019.

Consolidated Statement of Profit and Loss

1. Revenue from operations

The revenue from operations increased by 12.2% y-o-y basis, from ₹ 55,825.18 million in FY 2019 to ₹ 62,620.80 million in FY 2020. While, in US dollar terms, it registered a growth of 6.5% y-o-y basis, from US$ 793.26 million in FY 2019 to US$ 845 million in FY 2020. The revenue in constant currency was US$ 844.50 million, registering a growth of 5.4% over previous year.

2. Other income

Other income reduced to ₹ 78.73 million from ₹ 89.38 million in FY 2019, a reduction of ₹ 10.65 million. The reduction is mainly attributed to decrease in interest income by ₹ 13.55 million.

3. Exchange rate gain/loss

Exchange rate gain increased to ₹ 267.36 million in FY 2020 as compared to ₹ 192.71 million in FY 2019. The increase is largely on account of favourable exchange rate movements in FY 2020 as compared to FY 2019 where the exchange rate movement was stable.

4. Employee benefit expenses

The employment expenses increased to ₹ 36,950.11 million from ₹ 30,279.28 million, an increase of 22%.

Ratio of employee cost-to-revenue increased to 59.0% in FY 2020 as against 54.2% in FY 2019, mainly attributed to lower revenues impacted by Pandemic. The worldwide employee count including subcontractors was 19,833 as on December 2020, a decrease of 166 compared to headcount of 19,999 as on December 2019.

Since 2015 financial year, the Company instituted long-term incentive plan in the form of grant of Restricted Stock Units (RSU). The compensation cost recognised using fair value method for these RSU is ₹ 468.61 million for FY 2020, which is included in employee benefit expenses.

5. Finance costs

Finance costs increased to ₹ 492.35 million in FY 2020 compared to ₹ 74.02 million in FY 2019, This increase is mainly attributable to interest on lease liabilities recognised for the first time on implementation of IndAS 116 and also increase in borrowings during the year as a response to improve liquidity when the Pandemic hit the world.

6. Depreciation and amortisation

Depreciation and amortisation expense increased to ₹ 2,323.89 million in FY 2020 as compared to ₹ 1,033.53 million in FY 2019, an increase of ₹ 1,290.36 million largely due to adoption of Ind AS 116 and addition of infrastructure at Pune, Chennai, Noida, Bangalore and Mumbai campuses and computers, software and amortisation of intangibles.

7. Operations and other expenses

Operations and other expenses decreased to ₹ 15,202.25 million in FY 2020 from ₹ 16,763.63 million in FY 2019, a decrease of 9.3%. This decrease was largely on rent, travel, electricity, communication, sub-contracting and other service charges, printing and stationery and staff recruitment expenses. As a percentage to revenue, these costs were 24.1% in FY 2020 and 29.9% in FY 2019.

8. Income tax expense

The income tax expense for FY 2020 was ₹ 1,789.99 million as compared to ₹ 1,379.24 million in FY 2019, showing an increase of ₹ 410.75 million over previous year. The effective tax rate increased to 22.4% as compared to 17.7% in previous year mainly on account of additional provision made during the year basis of the ongoing tax assessment of the past year in respect of one of its subsidiary applying principles of prudence.

9. Profitability

The Companies profit before tax increased to ₹ 8,004.99 million in FY 2020 as compared to ₹ 7,792.67 million in FY 2019, an increase of 2.7% despite headwinds on account of Pandemic impacting revenue growth.

Profit after tax decreased to ₹ 6,215.00 million in FY 2020 as compared to ₹ 6,413.43 million in FY 2019, a decrease of 3.1%. The decrease is on account of the higher provision for tax made in respect of the ongoing assessment of past year on basis of prudence.

EPS-basic decreased by ₹ 0.75 to ₹ 20.77 for FY 2020 compared to ₹ 21.52 for FY 2019.

Consolidated cash flow

(₹ million)

	2020	2019
Net cash from operations	14,377.44	5,963.84
Net cash used in investing activities	(4,225.46)	(9,976.70)
Net cash used in financing activities	(2,416.33)	(1,688.70)
Net increase/ decrease in cash and cash equivalent	**7,735.65**	(5,701.56)

The cash flow from operations increased considerably to ₹ 14,776.30 as compared to ₹ 5,963.84 in the previous year. The increase was attributed to tightened cash management during the year of pandemic resulting in better collections, reduced DSO and availment of certain payment deferrals. During the FY 2020, out of the cash used in investing activities of ₹ 4,225.46 million, ₹ 3,588.98 million was used in payment of deferred consideration on acquisition of Mobiquity and ₹ 736 million towards acquisition of property plant and equipment and intangibles. Financing activities was largely towards payment of dividend of ₹ 2,092.34 million, net borrowing of ₹ 511.89 million, payment towards lease liabilities ₹ 679.22 million and interest paid ₹ 160.59 million.

Net increase in cash and cash equivalent during the year was by ₹ 7,735.65 million.

Adoption of Ind AS 116

The Group has adopted Ind AS 116 ("the Standard"), effective annual reporting period beginning January 1, 2020. The Group 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 Group 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 3.1 of consolidated financial for the details of lease accounting.

Cautionary statement

Certain statements in this Management Discussion & Analysis Report concerning the future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, intense competition in IT services including those factors which may affect company's cost advantage, wage increases in India, company's ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, Company's ability to manage its international operations, reduced demand for technology in key focus areas, disruptions in telecommunication networks, Company's ability to successfully complete and integrate potential acquisitions, liability for damages on Company's service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorised use of our intellectual property and general economic conditions affecting our industry.

For and on behalf of the Board

Place: Mumbai

Date: February 11, 2021

Rajeev Kumar Mehta

(Chairman)

Directors' Report

To
The Members,

The Directors are pleased to present their Twenty eighth Annual Report, on the business and operations of **Hexaware Technologies Limited** (hereafter referred to as 'the Group' or 'The Company') together with audited financial statements for the financial year ended December 31, 2020.

The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS').

Financial Performance:

Consolidated Operations:

(US$ million)

	FY 2020	FY 2019
Income from Operations	845.04	793.26
EBITDA before RSU cost	146.93	125.26
EBITDA after RSU cost	140.60	124.84
Profit from Operations *	109.31	110.18
Profit before Tax	107.34	110.70
Profit after Tax including share in profit of associate	83.31	91.16
Total Customers	277	263
Average account size	3.05	3.02

(₹ million)

	FY 2020	FY 2019
Income from Operations	62,620.80	55,825.18
EBITDA before RSU cost	10,937.05	8,808.82
EBITDA after RSU cost	10,468.44	8,782.27
Profit from Operation *	8,144.55	7,748.74
Add: Exchange Rate Gain (net)	267.36	192.71
Add: Other Income	78.73	89.38
Less: Exceptional Item	-	(168.24)
Less: Interest	(492.35)	(74.02)
Profit before share in profit of associate	7,998.29	7,788.57
Add: Share in profit of associate	6.70	4.10
Profit before Tax	8,004.99	7,792.67
Less: Provision for Taxation	1,789.99	1,379.24
Profit after Tax	6,215.00	6,413.43
Other Comprehensive Income (OCI)	271.34	371.07
Total Comprehensive Income	6,486.34	6,784.50

*excludes Exceptional items, Exchange Rate Difference, Interest, Other Income and Provision for Taxation

India Operations:

(₹ million)

	FY 2020	FY 2019
Income from Operations	24,277.87	21,409.11
EBITDA	6,814.05	6,341.50
Profit from Operations *	5,683.83	5,731.59
Add: Exchange Rate (Gain)/Loss (net)	389.36	336.53
Less: Interest	(281.09)	(0.42)
Add: Other Income	520.31	28.67
Less: Exceptional Item	-	(5.21)
Profit before Tax	6,312.41	6,091.16
Less: Provision for Taxation	930.64	1,015.83
Profit after Tax	5,381.77	5,075.33
Add: Balance brought forward from previous year	11,902.79	9,553.14
Add: Transition impact of Ind AS 116	(126.45)	-
Add: Other Comprehensive Income (OCI)	(85.79)	(147.83)
Add: Transfer from Special Economic Zone Reinvestment Reserve	258.25	874.10
Balance available for appropriation	17,330.57	15,354.74
Appropriation		
Interim dividend including tax on dividend	2,092.37	3,054.31
Transfer to Special Economic Zone Reinvestment Reserve	638.45	397.64
Balance carried to Balance Sheet	14,599.75	11,902.79

* excludes Exceptional items, Exchange Rate Difference, Interest, Other Income and Provision for Taxation

Results of Operations:

a) **Consolidated operations:**

Income from operations increased to ₹ 62,620.80 million in 2020 from ₹ 55,825.18 million in 2019, growth of 12.2%. The growth in Dollar terms was 6.5%, reaching US$ 845.04 million in 2020 from US$ 793.26 million in 2019. Revenue in constant currency was US$ 844.50 million in 2020, growth of 5.4%. Growth was driven largely by volume increase.

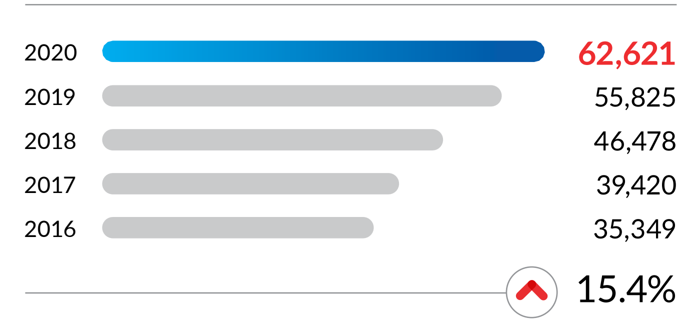
EBITDA after RSU costs increased to US$ 140.60 million in 2020 compared to US$ 124.84 million in 2019, growth of 12.6%. In INR terms, it saw growth of 19.2% and increased to ₹ 10,468.44 million in 2020 compared to ₹ 8,782.87 million in 2019.

Profit from Operations (profit before Exchange rate difference, Interest, Other income and Provision for taxation) was at ₹ 8,144.55 million in 2020 as against ₹ 7,748.74 million in 2019, growth of 5.1%. The growth in profit from operations without considering RSU cost under long term incentive plan was 10.8%.

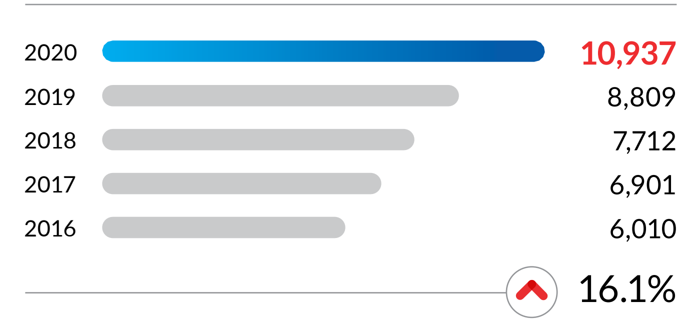
Profit before tax grew 2.7% to ₹ 8,004.99 million in 2020 compared to ₹ 7,792.67 million in 2019.

Profit after tax stood at ₹ 6,215.00 million in 2020 as compared to a profit of ₹ 6,413.43 million in 2019, decrease of 3.1%. PAT margins in INR terms were at 9.9% in 2020 compared to 11.5% in 2019.

Income from operations (₹ in million)



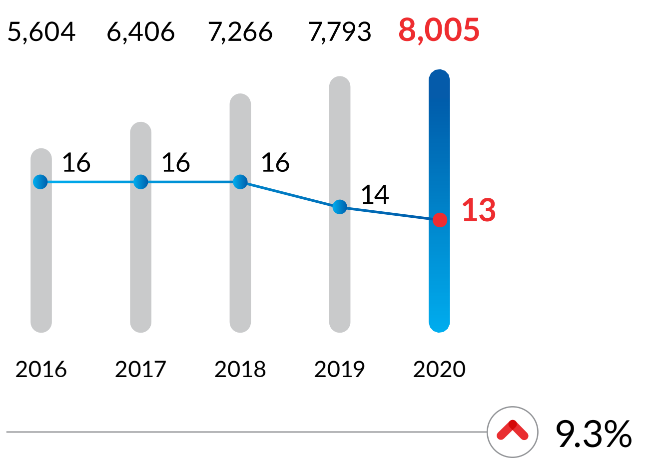
EBITDA before RSU cost (₹ in million)



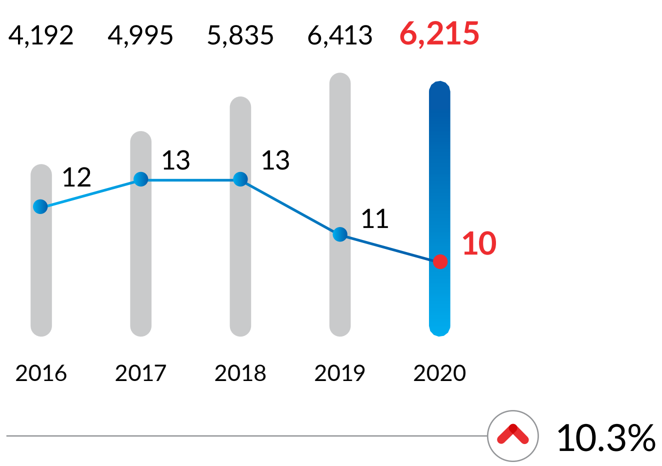
5-year CAGR

Profitability

PBT Margin (₹ in million)



PAT Margin (₹ in million)



Material changes from end of financial year till date of report

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Company's major achievements in 2020

- In 2020, growth in revenue was 12.2% in INR terms and 6.5% in USD terms compared to 2019.
- EBITDA after ESOP/RSU cost growth in 2020 was 19.2% in INR terms and 12.6% in USD terms.
- EBIT growth in 2020 was 7.4% in INR terms.

Over the past few years the focus has been on adding and growing clients with meaningful revenue base. This has led to revenue growth being higher than growth in number of accounts, leading to increased revenue per client. In 2020, the Company added 1 client over US$ 20 million category, 5 Client in the US$ 5-US$ 10 million category. While the Covid-19 crisis has challenged every aspect of our customer's business we could maintain large size account during this pandemic.

b) **India operations:**

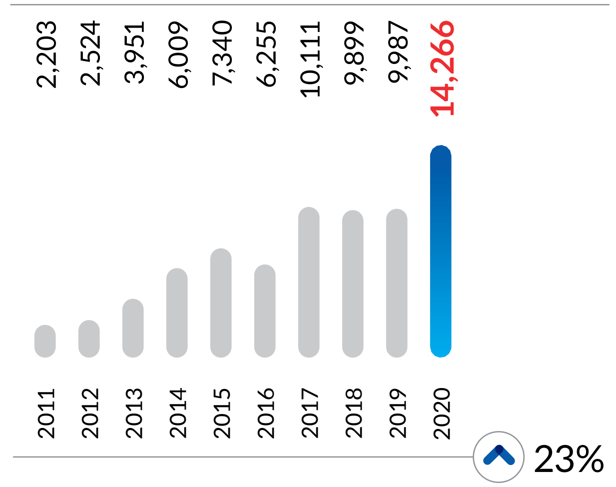
In the year 2020, the revenue of the standalone legal entity increased by 13.4% to ₹ 24,277.87 million in comparison with revenue of ₹ 21,409.11 million in the previous year. The net profit after tax was ₹ 5,381.77 million as compared to ₹ 5,075.33 million in 2019 showing growth of 6.0%.

Share capital

The paid-up Share Capital of the Company as on December 31, 2020 was ₹ 600.66 million comprising of 300,330,455 Equity Shares of ₹ 2/- each. During the year 1,946,134 shares were exercised under different ESOP schemes.

The market capitalisation of the Company was at ₹ 142,656.97 million (US$ 1,952.33 million). The market capitalisation is calculated on the basis of share valuation of ₹ 475 being exit price offered by the promoters to the residual shareholders and the closing exchange rate of 1 US$ = ₹ 73.07 as of December 31, 2020.

Market Capitalisation (₹ in crore)



Other equity (Reserve and surplus and other comprehensive income)

The Standalone total other equity increased to ₹ 22,479.23 million as compared to ₹ 18,916.32 million as of FY 2019, increased of ₹ 3,562.91 million.

5-year CAGR   10-year CAGR

The Consolidated other equity increased to ₹ 31,757.83 million as compared to ₹ 27,057.86 million as of FY 2019, increased of ₹ 4,699.97 million.

The Securities premium reserve balances stood at ₹ 4,290.43 million.

The balance of the Retained Earnings after the appropriations for the year is ₹ 14,599.75 million on Standalone basis. On consolidated basis, the balance in the Retained Earnings stands at ₹ 21,741.23 million.

Forex Mark-To-Market: The year-end cash flow hedging reserve (net of tax) stood at profit of ₹ 250.68 million on standalone basis and ₹ 234.29 million on consolidated basis, as compared gain of ₹ 226.06 million both on standalone and consolidated basis in the previous year recognised in accordance with the hedge accounting provision of Ind AS 109 Financial Instruments.

As at December 31, 2020, the Company has balance of ₹ 824.65 million in Employee stock named as share options outstanding a reserve being amortisation of compensation cost of RSU's granted to the employees of the Group.

There was no transfer to General Reserve during the year. The general reserve balance as at end of the year is ₹ 2,117.71 million on standalone basis and ₹ 2,144.05 million on consolidated basis.

Dividend

During the year 2020, the Company paid one Final dividend and two interim dividends on equity shares, Final Dividend 2019 ₹ 2.50 (125%), First Interim Dividend 2020 – ₹ 3.00 (150%), Second Interim Dividend 2020 – ₹ 1.50 (75%), totalling to ₹ 7.00 per share (350%).

The board of Directors at its meeting held on February 11, 2021 declared third interim dividend 2020 of ₹ 3.50 (175%) for the year ended 2020, with this total dividend declared for the year 2020 aggregated to ₹ 8 (400%) per share.

The total dividend declared and paid in 2020 on account of interim and final dividend amounts to ₹ 2,092.34 million.

The break-up of dividend is as under:

(₹ million)

	Q4 2019	Q1 2020	Q2 2020	Total
Dividend paid to shareholders	690.33	833.26	418.97	1942.55
Tax deducted at source	55.63	63.38	30.77	149.78
Total outflow	745.96	896.64	449.74	2,092.34

Particulars of loan, guarantee or investments

Loan, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report. Please refer note no. 6, 9 and 24 of Standalone Financial Statements.

Subsidiaries and associates

During the year 2020, Company has invested ₹ 7.32 million in share capital of Hexaware Technologies Nordic AB, wholly owned Subsidiary Company and ₹ 5.35 million in Share Capital of Hexaware Information Technology (Shanghai) Limited, wholly owned Subsidiary Company.

During the year the Company has sold its investment in M/s.Experis Technology Solutions PTE LTD.

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and all its subsidiaries, forms part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC - 1 is appended as **Annexure 1** to the Board's report. The statement also provides the details of performance, financial position of each of the subsidiaries.

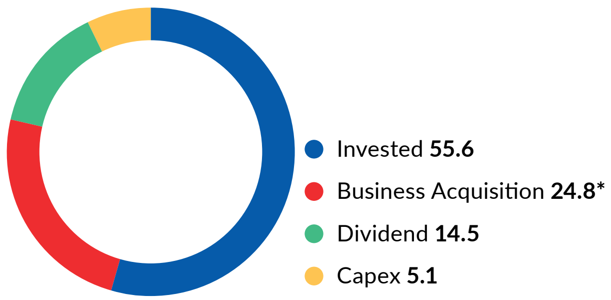
In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of its subsidiaries, will be available for inspection in electronic mode. Any shareholder interested may write to the Company Secretary.

Cash Flow

The cash generated from operations in 2020 was ₹ 14,452.18 million. The Company has invested ₹ 736.15 million in property, plant and equipment and intangible assets, mainly for new development centre in Chennai, Noida, Bangalore and Pune. Further, the Company has paid the final deferred consideration payment of ₹ 3,588.98 million for acquisition of Mobiquity Inc. During the year, the Company paid dividend including tax deducted at source of ₹ 2,092.34 million.

The Company has received ₹ 3.93 million from issue of shares. As of December 31, 2020 the cash position of the Company was ₹ 10,378.57 million including the restricted bank balance equivalent to US$ 142.04 million. The total cash & bank balance was at ₹ 10,114.45 million equivalent to US$ 138.42 million.

Cash usage (%)



* represents payment of deferred consideration to Mobiquity

Delisting of Shares

The Company received a proposal from the Promoter dated June 4, 2020, wherein the Promoter expressed its intention to make a voluntary delisting offer, to acquire all the Equity Shares that are held by the Public Shareholders; and consequently voluntarily delist the Equity Shares from the Stock Exchanges, BSE Ltd and National Stock Exchange of India Limited.

The main objective of the Delisting Proposal was for the Promoter to obtain full ownership of the Company which will in turn provide increased operational flexibility to support the Company's business. The delisting will also help in cost savings and allow the management to dedicate more time to focus on Company's business.

The letter of offer was sent to Shareholders to tender the shares under reverse book building process. The promoters along with promoter group entity successfully acquired more than 90% Shareholding of the Company (including their existing holding in the Company) at the discovered price of ₹ 475/-.

After seeking final delisting approval from BSE and NSE, shares of the Company were delisted w.e.f. November 9, 2020.

The promoters sent exit offer document to residual public shareholders to tender their shares to Promoters at exit price of ₹ 475 till November 8, 2021.

Delivery Centers

India based Global Delivery Centers

Mumbai

The Company has two Offshore Development Centers (ODCs) at Millennium Business Park in Mahape, Navi Mumbai. One of these is the registered office of the Company. Both these ODC's houses around 1,060 employees.

The Company's BPS arm operates out of two service centers in the same complex, with around 1650 employees providing BPS services to its global clients in shift mode.

The Company has also taken premises on long-term lease for its IT and BPS operation in the SEZ facility named Loma IT Park, Ghansoli, Navi Mumbai with seating capacity of around 2700 employees including for BPS operations. There are around 1800 working from this center.

Chennai

There are around 4,475 IT employees working from the Company's 27 acre campus in Chennai. This campus has employee-friendly amenities like recreation center, library and gymnasium facilities – offering plenty of avenues for relaxation and rejuvenation as well as knowledge enhancement through Hexavarsity – the Company's in-house Learning and Development University.

Currently seating capacity is expanded to 5500 seats in Phase 1. The Company has also constructed Phase 2 with additional 3300 seats.

The BPS arm also operates out of another two facilities in Chennai of which one is in SEZ unit with seating capacity of 1900. The combined strength of around 1220 employees operates from the facilities.

Pune

In Pune, the Company has its own SEZ campus at Hinjewadi. The first phase of this campus has seating capacity of 1500 seats. Around 1400 IT and BPS employees are currently operating from this campus.

Mobiquity Softech Private Limited, the subsidiary company, also has office in Pune which has seating capacity of around 150 employees and around 120 employees are working from this location

Noida

The Company has a Delivery Centre at Noida. It has seating capacity of 265 employees. Around 135 IT employees are currently operating from this delivery Centre.

Bengaluru

This facility in the India's IT capital of Bengaluru that has capacity of 285 seats. Around 172 IT employees are currently operating from this delivery Centre.

Nagpur

The Company owns 20 acres of land in MIHAN SEZ, Nagpur, a tier II city. This facility is currently operational with around 720 BPS employees and has seating capacity to accommodate 1450 employees.

Ahmedabad

Mobiquity Softech Private Limited, the subsidiary company, has office in Ahmedabad which has seating capacity of around 240 employees and around 200 employees are working from this location.

Coimbatore

Hexaware's BPS arm has a facility in Coimbatore with seating capacity of 250 employees and around 60 BPS employees are working from this facility for providing BPS services to its global clients in shift mode.

Overseas Global Delivery Centers (GDC)

New Jersey (USA)

The Company has GDC at New Jersey, USA with seating capacity of 64 employees and currently 40 IT Employees are working from this delivery center.

Alpharetta, GA (USA)

The Company has GDC at Alpharetta in the state of Georgia, USA with seating capacity of 275 employees and currently 120 IT and BPS employees are working from this delivery center.

Dunwoody, GA (USA)

The Company has GDC at Dunwoody in the state of Georgia, USA with seating capacity of around 260 employees and currently around 105 IT employees are working from this delivery Centre.

Reston, Virginia (USA)

The Company has delivery centre at Sunrise Valley in the state of Virginia with seating capacity of 35 and currently 35 IT employees are working from this delivery Centre. This delivery Centre is in operation at its 100% capacity

Waltham, MA (USA)

Mobiquity has GDC at Waltham, MA, USA with seating capacity of 50 employees and currently around 30 employees are working from this GDC.

Gainesville, FL (USA)

Mobiquity has GDC at Gainesville, FL, USA with seating capacity of 60 employees and currently around 44 employees are working from this GDC.

Wayne, PA (USA)

Mobiquity has GDC at Wayne, PA, USA with seating capacity of 56 employees and currently around 56 employees are working from this GDC. This delivery Centre is in operation at its 100% capacity.

Mexico

The Company has a strong presence in Mexico with a near-shore Delivery Centre at Saltillo with employee's seating capacity of 680. While Mexico offers cost competitiveness compared to the United States of America, the country also provides immense benefits in the form of same time zone, enables immediate response and access to a vast talent pool and an untapped emerging market. The Company intends to leverage its near shore Delivery Centre to cater to several global clients as an addition to the other existing options of continuing operations in the USA or in the Company's locations in India. Currently around 645 IT and BPS Employees are working from this delivery Centre.

Company also has GDC at Monterry, Mexico with seating capacity of 137 and currently 119 IT employees are working from this delivery Centre

Amsterdam (Netherlands)

The Company has GDC at Amsterdam with seating capacity of 12 and currently 6 IT Professional employees are working from this delivery Centre.

Mobiquity also has office at Amsterdam with seating capacity of 114 employees and currently around 216 employees (including employees working onsite) are working from this office.

Warsaw (Poland)

The Company has GDC at Warsaw in Poland, with seating capacity of around 54 employees and currently around 30 IT and BPS employees are working from this delivery Centre.

Tver (Russia)

The Company has center in Russia for its BPS operation which has seating capacity of 156 Employees. Currently around 107 employees are working from this location for providing BPS Services to Global Client.

Dubai

The Company has GDC at Al Quds, Dubai for its BPS operation which has seating capacity of 90 Employees. Currently 90 employees are working from this location for providing BPS Services to Global Client. This delivery Centre is in operation at its 100% capacity.

China

The Company has center in Shanghai at China for its BPS operation with a small office.

Singapore

The Company has GDC at Singapore. Currently around 40 employees are working from this delivery Centre (including employees working onsite) at Singapore.

Hong Kong

The Company has GDC at Hong Kong. Currently around 7 employees are working from this delivery Centre (including employees working onsite) at Hong Kong.

Metro Manila (Philippines)

The Company has center in Philippines for its BPS operation which has seating capacity of 70 Employees. Currently around 48 employees are working from this location for providing BPS Services to Global Client.

Australia

The Company has GDC at Australia. Currently around 109 employees are working from this delivery Centre (including employees working onsite) at Australia.

Japan

The Company has GDC at Japan. Currently around 26 employees are working from this delivery Centre (including employees working onsite) at Japan.

Human Resource Capital

Human Resource Capital and the value that it creates forms a big part of Hexaware's growth story. The industry today is changing rapidly with many disruptive business models necessitating a need for human capital to adapt in an agile manner. Automation and digitisation have become buzzwords today. The focus of the Company has been to leverage digital re-imagination to drive growth and efficiency of our business models, products and services, business processes as well as the workplace. This helps the Company to deliver a superior experience to every key stakeholder, viz. customers, employees, investors and the community at large

Exceeding customers' expectations requires a high level of focus, competence and technical expertise. We strengthened our recruitment efforts through continued employee referrals, job fairs, social media & campus recruitment drives. Over the last year, the Company has added 6,747 employees taking the total strength to 19833 as of December 31, 2020. The Company is focused towards attracting and retaining high calibre employees through comprehensive Hiring and on-going Deployment processes. Our Gender Diversity is more evident now with a healthy 29% of our workforce being women.

We take pride in our continued focus on employee retention, initiatives taking by the Company during pandemic are given in the para below. In our sustained efforts to make Hexaware a Great Place to Work, our focus has been on furthering employees' career aspirations. This focus strengthened by our Rewards & Recognition program has helped reduce our attrition rate from 15.8% last year to 11.9% as on December 31, 2020. We believe that our workforce lives our brand and to that end the HR team is always working on initiatives that help build an engaging organisation. Today, the youthfulness and the agility in our talent reflects the new brand identity of Hexaware.

To sustain our Human Capital Strategy, we have identified and consolidated strong performance indicators. This has led to an increased focus on accountability and ownership from all.

Talent Management - Asset Development

Hexaware believes that great talent is the biggest source of competitive advantage. Keeping its talent pool at the centre of all the management strategies is our prime focus. And the senior leadership team is clear in its expectations from the vast reservoir of talent that the Company has.

The Company's focus is to develop a strong internal pipeline of talent and to provide a platform for talented individuals to shine, innovate and create value for our clients. The Company is driven by a combination of robust strategies, passionate teams and a global culture rooted in innovation and automation.

Hexaware believes that appreciation propels people to give their best at work and our robust Rewards & Recognition portal bears testimony to that. Managers are continuously encouraged to ingrain a culture of appreciation and nominate deserving employees for awards such as Spot/Ace/Star, Best Debutant and Best Team etc. Winners are guaranteed global recognition in the Hexaware world creating a memorable employee experience that is paramount to our R&R strategy. We have launched the InAwe portal- a dedicated portal for Rewards and Recognition. This makes our R&R process more robust and stringent. We have also seen an increased engagement and a more pronounced culture of appreciation after launch of the InAwe portal.

To help smoothen the process of Performance Management and to familiarize our people with the nuances of our tool, we have regular connect sessions and specific learning modules designed by the HR team. Our Performance Management System has an inbuilt structured and streamlined process to objectively evaluate one's performance against pre-defined goals. We also made goal setting an integral part of the Performance Management Process. The career management framework brings together all key functions like Internal Job postings, PMS, Learning etc. to provide a clearly defined structure that helps the employee understand the various roles / career choices available and how to make transitions. The PMS also has the functionality to identify future talent needed by the organisation and a pipelined approach to groom the future leaders of Hexaware in collaboration with our Learning and Development arm: Hexavarsity. We help hone the skills of our consultants through various training interventions, regular Hackathons both internal and those organised by our service partners. The Technical Competency Development Program (TCDP) run by our Learning and Development team focusses on aligning the technical skills of our people to their specific roles. Our new Project End Feedback system ensures that consultants get feedback for every project that they work on and are aware of their areas of improvement.

We focus on holistic employee development. In our quest for consistency and excellence, we reward our top performers and we have the exclusive High Performers Club (HPC) program, the membership to which is restricted only to our consistent top achievers. Hexaware's Mavericks Learning Program is designed to nurture the concepts of 'Learning to Learn' and 'Learn by Doing' which encourages and helps build every Fresher's ability into becoming more resourceful and self-reliant, all of which are crucial traits required to meet the current and future business demands and challenges. This program is conducted for fresh graduates, both from engineering and non-engineering backgrounds, who are hired directly from campuses and off campus recruitment drives. The Premier Mavericks program includes engineers with niche skills and competencies.

Another popular initiative at Hexaware that helps us tap into the collective intelligence of our talent is Brainbox. This is a platform for our consultants to post ingenious ideas that go a long way in helping our customers save time and money. The passion of our people in contributing to this initiative is evident from the participation and reflects our belief in creating a highly engaged customer centric talent pool.

Employee Engagement is a binding force that helps us work globally. We understand the need for employees to connect with the Hexaware world on a global platform and our internal social platform Yammer helps us to collaborate, brainstorm, provide real-time feedback and communicate with our leaders directly. Our Fun@Work activities throughout the year helps our consultants to relax, rewind and rejuvenate themselves. These activities run by the different Funsters groups along with unit picnics, project lunches, ODC based fun initiatives are all geared toward team bonding and strengthening our common goal of working together as one Hexaware despite being spread out in various locations worldwide. We also have developmental programs such as Hexaware Future Leaders and Hexaware Future Executives to groom future leaders of our Company. We also had our first batch of Summer Interns representing the Hexaware Future Leaders' group last year. The engagement programs that we launched during the pandemic year helped enhance the employee experience. Programs such as Fam Jam (A fun event for the family members of Hexawarians, Leadership Lantern series (Inspiring sessions by leaders to help people cope with trying times), THEFITPROJECT (Fighting it together- A program that focusses on employee wellbeing, Koffee with Keech (a session with the CEO) were the hallmarks of last year. In this very successful program (Koffee with Keech) a small group of handpicked employees get a chance periodically to do an interactive session with Keech. The topics discussed were around:- Diversity at Hexaware (and how to improve it), Next Gen Hexawarians (Kids of our employees), Unique challenges faced by women during Work From Home (WFH) (and how we can support them), What Hexaware can learn from other organisations via our new joiners, etc. The series was so well received by our employees that we launched few initiatives based on the feedback from these sessions. 'Pay It Forward' Initiative was an exercise in empathy we undertook in the tumultuous 2020. In this initiative, we sought the help of Hexawarians to assist their colleagues by volunteering their time. By helping them and taking over some day-to-day chores like virtual baby-sitting, help their kids with schoolwork or projects, reading to the elderly, volunteers helped with some much-needed downtime for over-worked/ stressed colleagues. In the classic 'Pay it Forward' method, if we are the recipients of an act of kindness, we in-turn do something in kind to help another Hexawarian. As part of this initiative, we had two registers: one for the employees who needed the help (especially women employees who are juggling a lot of responsibilities at home) and the second was for those who wanted to volunteer their time. The registers were then matched based on the requirement and the employees were connected with one another accordingly and supported each other with the required service.

Hexaware's Talent Management approach is to bring about transformation and growth opportunities for our consultants keeping in mind the evolving industry trends and our people practices pivots on a culture that embraces and nurtures talent, rewards top performance and focusses on Customer delight.

Information Security

Information Security, also referred as Cybersecurity is a critical enabler of business requirement today to ensure secured IT operations. Hence, it is part of the mainstream discussions at the board meetings getting reviewed for the business advantage, impact and risk considerations. The governance and management of Information Security is of paramount importance to the Company. Beyond compliance to laws, regulations, global standards and industry best practices, the expectations of the customers focusses on capability to managing dynamic landscapes of threats and vulnerabilities to ensure Information Security assurance while progressing technology adoption and innovation. Substantial investments were made by the Company to ensure secured technology adoption of cloud, virtualisation, innovation, Artificial Intelligence, Robotics, Machine Learning, Deep Learning, Digital Transformation, Automation and more. The advantage of such investments by the Company in information security through latest tools, systems and devices provide competitive advantage as well as Nextgen and Hybrid security cover to business operations of the Company. This was evident during COVID-19 pandemic, as the Company could enable Work-From-Home for 100% of its employees proactively within a few days. Information security management through Confidentiality, Integrity and High Availability are being time tested by external certification audits and assessments throughout the year as per the process managements of ISO and Industry standards. This year saw the Company getting ISO 22301, the global standard for Business Continuity and officially known as 'Societal Security' due to governance of all-encompassing resilience factors. The governance review of Information security management validates and ensures all measures recommended and expected by the international standards, legal and regulatory requirements and also the customer contracts. Initiatives on automation, threat and vulnerability management, risks related to remote working and resilience were the focus during the year elapsed. Continuous Improvement on regulatory compliance related to GDPR and Privacy Laws of different countries and entities, adoption of latest industry best practices and frameworks to strengthen the security program were also progressed during the elapsed year. Cyber Security resilience to manage various technical, man-made, natural including prolonged remote working due to pandemic and perceived threat scenarios were part of Company's business continuity management program which were implemented and audited during ISO 22301 certification. Role based security education, annual refresher trainings on information security and privacy, awareness sessions on emerging security challenges are provided to the employees, contractors and associated resources.

Quality Assurance

The Company has sustained its commitment to the highest levels of quality, best-in-class agile processes, robust information security practices and mature business continuity processes that have collectively helped achieve significant milestones during the year. While maintaining existing external benchmarks and certifications, the Company has enhanced its focus on Business Continuity and societal security by updating our processes for ISO 22301:2012 and getting certified for it. The Company continues to adhere to international quality certifications such as ISO 9001-2015, ISO 27001:2013, ISO 20000-1:2018, CMMI - DEV Ver 1.3 - Level 5, ISAE3402 and SSAE16 SOC-2 Type II.

The Customer satisfaction survey is done on an annual basis to measure the level of satisfaction of customer. An Independent agency conducts the survey. The Company scored 84.29 as against an industry score ranging from 43.81 to 84.32. 84.29 is the highest EX score that we have achieved in the last seven years and we are ranked second highest in the IT industry as well. We have also received the highest scores till date for all key business metrics namely advocacy, loyalty, satisfaction and value for money.

Benefits to Customers

"BrainBox" is the platform to encourage employees to bring their ideas, value addition to our customers and systematically mange the ideation process. The Company consistently continues to harnesses the power of knowledge gained by its employees working on their customer accounts, by encouraging them to create & implement value additions through BrainBox.

In the year 2020, 65% of the employees have proudly participated in this initiative and have posted over 1174 ideas proposing value additions under categories like automation, productivity improvement, financial savings and accelerate the time to market the customer's products and services. 822 of these ideas have been successfully delivered generating savings of over US$ 31.04 million and around 427,803 hours of effort saved last year, which is approved by esteemed customers of the Company. BFS vertical leads the pack by implementing 249 CVAs followed by H&I 205 and M&C 190. ATM 240, DA 130 and BIBA 120 remain the top competencies / technologies used by teams to deliver higher number of CVAs to customers in the year 2020. The total cost saved in the year 2019 was US$ 23.52 million whereas in the year 2020, the cost saved is US$ 31.04 million. The count of implemented CVAs has increased in FY 2020 under various categories; Financial Saving 325, Market Ideas 25, Productivity 778, Time to market 46.

BrainBox platform has promoted the culture of deep expertise, value creation attitude, extraordinary proficiency in the customer's business function, technical engineering, knowledge sharing and problem-solving approach thereby identifying and delivering values to the customers at no extra cost. Through a structured governance and rewards program, Hexaware suitably rewards its employees' passion and best values adds on quarterly basis, which is personally driven by the CEO, leading to larger percentage of employees participating voluntarily in this initiative.

Customers have benefited as a result of the high quality of delivery and support, fewer defects, reduction in cycle time, stringent information security practices and flexible and proactive approach. The Company's understanding of customer's business and technology landscape enables it to provide comprehensive multi-service solutions along with cost reduction for the customer. The Company has provided value-additions through improvement in the performance of the systems that have been outsourced, a reduction in the problems and failures, and improved stability. This has resulted in high levels of customer delight and repeat business. Implementing the best in class processes and providing training on it has enabled the organisation and people to be methodical and process driven. The usage of latest technologies and industry best practices has improved delivery capability and added business value. Focus on quality and automation has resulted in cost reduction and improved productivity within the organisation.

Company focused on Corporate Governance

The effective corporate governance practices constitute strong foundation on which successful commercial enterprises are built. The Corporate Governance practices of the Company are designed to act in the best interest of its stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company considers stakeholders as partners in its success and remain committed to maximising stakeholders' value.

Integrity, transparency, accountability, Independence are key principals of our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

The Company's Board of Directors comprises eminent professionals in their respective fields with rich experience in policy-making and strategy formulation. All the major committees of the Board are headed by Independent Directors and the Company has followed Cadbury Committee and Kotak Committee recommendation of having two different individuals as Chairman & CEO for several years. The Company was the winner of the prestigious Golden Peacock Award for excellence in Corporate Governance for the year 2011, 2015 and 2018 and won the Special Commendation in the year 2009 and 2013.

The separate report on Corporate Governance along certificate from the Auditors on its compliance, is attached and forms part of this Report.

Risk Management

The risk landscape in the current business world is changing animatedly with the elements of Cyber security, Information Security, Data Privacy etc. The Company has set up Enterprise Risk Management (ERM) function that enables the achievement of the Company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives.

The Company has constituted a Strategy and Risk Management Committee of the Board to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

The details of risk faced by the Company and mitigation measures are discussed in detail in Business Overview and in the Management Discussion and Analysis section of this Annual Report.

Insurance

In today's environment, Company's Business, Assets, Directors & Officers, Employees are exposed to financial risks mainly arising out of claims from customers, third parties, regulators, employees as well as stakeholders. In order to mitigate the financial impact that can emanate from such unforeseen risks, the Company sufficiently insures itself under various policies like Workers Compensation, Employers Liability, Commercial General Liability, Errors & Omissions, Cyber Liability, Crime, Employment Practices Liability, Directors & Officers Liability, Property Insurance to name a few. Given the evolving nature of the business and the associated risks, individual policy needs and coverage are reviewed on an ongoing basis and changes are effected as deemed prudent. Additionally, the Company has also taken Insurance for employees and their dependents to safeguard the financial interests of the employees and their families in case of unforeseen events like hospitalisation, accident and death, this year the coverages on these policies were enhanced to ensure coverage for the Pandemic.

Internal Financial Control Systems

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. Strong internal controls and scalable processes are imperative to manage the operations of the Company.

The internal financial control framework design ensures that the financial and other records are reliable for preparing financial and other statements. The internal auditors perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to fix the observations are presented to the Audit Committee of the Board.

Further details regarding Internal Financial Controls are included in the Management Discussion and Analysis, which form part of this report. Report of statutory auditor on the internal financial control is also included in this report on page 146.

HexaVarsity

Your Company invests in continuous Talent Development to support the growth of your organisation, customer requirements and employee needs. Opportunities for Learning & Development is a commitment in our Employee Value Proposition. This year, we focused on driving learning adoption and extending coverage to ensure a nimble workforce to meet our business growth. Hexavarsity was ready for the post-pandemic 'Work from home' model having moved to Cloud based systems much earlier, carrying on its business seamlessly during the year.

Workforce Development

Evolve

'Evolve' is our path-breaking talent transformation framework to upskill our employees and equip them for the next generation services we deliver to our customers. Through a combination of blended learning and a stringent four step assessment our employees are certified in 'Target State Roles' that are required by our customers. Target State roles are now pivotal and applied right from recruitment to Role based certification and performance management. 'Evolve' empowers every employee to take charge of their career and growth and 'Own their game'. The Program has been recognised by the industry for its innovation and business impact and was adjudged 'The Best Learning & Development Program of the Year' in the Learning & Development Influencer Summit recently.

Jumpstart

During the year Hexavarsity launched "Jumpstart" a focused training program for employees between projects to ensure they are quickly re-skilled/upskilled for the business pipeline. This ensures a supply of internal talent for new business, motivates employees, and improves our utilisation levels.

Insights

Our Peer to Peer connect Learning program, 'INSIGHTS', are bite-sized sessions on new and emerging tools and technologies conducted by our own Subject matter Experts on areas like Computer vision, Quantum programming, Design Thinking, etc. The program helps create awareness of new tools and trends in the market and has been well received by our employees.

Organisational Development

During the year we re-launched our updated Organization Development programs for our employees. Examples include programs for Leadership capability for Managers and Senior Leaders, Project Management excellence, Business Consulting and Business Analysis. These programs have been further reinforced by adding individual Coaching to all consultants to help them apply the skills and competencies in their work environments with guidance from experts. During the year, your Company has also launched a pilot program for Coaching to develop a fountain head of talent your organisation.

Communication Development

Effective business communication is a key skill in the modern delivery today. This is also one of the biggest gates in talent acquisition in the Indian market. During the year, Hexavarsity rolled out a new and improved tool-based assessment for English Proficiency and Communication. We also launched a global program on enhancing communication through a four-stage program focusing on English Proficiency, Speaking, Listening & Writing effectively in business environments. Hexavarsity also supports our employee driven, voluntary club 'Toastmasters', member of Toastmasters International, focused on promoting communication and public speaking. The Hexaware Toastmaster's club won the coveted President's Distinguished Club for 2019-20.

Campus Training

Hexavarsity plays a key role in training fresh Campus graduates every year for the Company. The program has gone through continuous improvements over the years and is a key enabler of fresh talent into the Company. Hexavarsity switched the training seamlessly to an online, virtual format during the pandemic ensuring there is no disruption in our Campus training and induction.

To further ensure higher control and quality of our Campus graduate intake, during the year, Hexavarsity launched 'Segue' a unique early engagement program in select colleges. Through the program, Hexaware pre-selects Campus graduates during their early years in college, trains them early and gets them industry ready. This program ensures that we identify good talent early for your Company and bring them on board.

MOU with ICT Academy

During the year, your Company signed a MOU with The ICT Academy, Tamil Nadu to sponsor talent development of students identified by them and help them prepare for the expectations of the IT Industry. HexaVarsity conducted Training workshops, certified trainers, helped define the curriculum and assessments and shared best industry practices for this program during the year.

Management Trainees

During the year, your Company successfully inducted Management graduates from Top Business schools to nurture and develop future leadership talent for the Company. Hexavarsity played a key role in their induction and training during the year.

Professional Certifications

The Company also continues to invest on external certifications for its consultants.

During the year HexaVarsity has obtained below mentioned awards:

World HRD Congress 2021

- Excellence in Training & Development Award. An overall award for Best Results-Based training
- Best Enterprise learning platform implementation

Learning & Development Influencer Summit & Awards 2021

- Outstanding Learning & Development strategy
- Best Learning & Development program
- Best Learning & Development Leader of the year

Related Party Transactions

During the financial year 2020, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and Board.

Policy on dealing with related party transaction is available on the website of the Company. http://hexaware.com/investors/

Policy on determining material subsidiaries of the Company is available on the website of the Company. http://hexaware.com/investors/

Employee Stock Option Plans (ESOP)

The Company has introduced various employee stock options plans/restricted stock unit plans from time to time to motivate, incentivise, attract new talents and inculcate the feeling of employee ownership, and reward employees of the Company and employees of Subsidiaries. The Nomination and Remuneration Committee administers these plans. The stock option plans are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefits Regulations") and Companies Act, 2013, read with the Rules issued thereunder. There have been no material changes to these plans during the financial year.

No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

During the year 2020, following were the exercise made by employees and grant made to employees/director under ESOPs:

1,946,134 options were exercised and the Company allotted 1,946,134 equity shares of ₹ 2/- each (face value) to the employees on such exercise.

1,322,141 Restricted Stock Units (RSUs) were granted under 2015 scheme during the year 2020 as explained below:

- February 11, 2020 – 114,750 RSUs.
- July 27, 2020 – 1,183,391 RSUs.
- October 22, 2020 – 24,000 RSUs.

Details of the shares issued under Employee Stock Option Plan (ESOP), and also the disclosures in compliance with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are available on the website of the Company at the following link: http://hexaware.com/investors/.

Fixed Deposits

During the year under review, the Company did not accept or invite any deposits from the public.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is annexed and forms part of the report.

Insider Trading Regulations

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company formulated a Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code') and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code').

Dividend Distribution Policy

The Dividend Distribution is available on the website of the Company at the following link : http://hexaware.com/investors/.

Management Discussion and Analysis Report

A detailed analysis of the Company's performance is disclosed in the Management Discussion and Analysis Report, which forms part of this Annual Report

Investor Education and Protection Fund (IEPF)

Details of unclaimed Dividend and Shares transferred to IEPF during 2020 are given in Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) and (5) of the Companies Act, 2013, the Directors confirm the following:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

During the year Mrs. Meera Shankar (DIN 06374957) ceased to be Director of the Company pursuant to completion of second term of appointment as an Independent Director.

During the year following Directors were appointed as Independent Directors:

1. Mr. Milind Sarwate (DIN 00109854) w.e.f April 25, 2020
2. Ms. Madhu Khatri (DIN 00480442) w.e.f April 25, 2020
3. Mr. Rajeev Kumar Mehta (DIN: 08897689) w.e.f. October 5, 2020

In accordance with the provisions of Companies Act, 2013, Mr. Jimmy Mahtani, (DIN: 00996110), Director of the Company, retires by rotation at this Annual General Meeting and, being eligible; offers himself for re-appointment at the Annual General Meeting.

During the year Mr. Rajeev Kumar Mehta (DIN: 08897689) was appointed as Additional Director w.e.f October 5, 2020 to hold office till conclusion of the ensuing Annual General Meeting. The board has recommended to the members approval of regularisation of appointment of Mr. Rajeev Kumar Mehta in the forth coming Annual General Meeting.

Mr. Atul Nishar (DIN 00307229) ceased to be Chairman of the Company w.e.f January 1, 2021 and continues to be Chairman Emeritus. Mr. Rajeev Kumar Mehta (DIN 08897689) Independent Director of the Company is appointed as Chairman of the Company w.e.f January 1, 2021.

The information of Directors seeking appointment / re-appointment at the Annual General Meeting to be given to the shareholder is being provided separately on Page No. 245 & 246 of this Annual Report. Members are requested to refer the said section of the Notice convening the Annual General Meeting.

Number of Meetings of the Board

Ten Meetings of the Board were held during the year. For details of the meetings of the Board, you may refer to the corporate governance report, which forms part of this Annual report.

Declaration by Independent directors

The Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

The Ministry of Corporate Affairs (MCA) in association with Indian Institute of Corporate Affairs (IICA) have introduced the maintenance of a comprehensive online databank for all the existing and aspiring Independent Directors (ID) by the IICA. The Independent Directors have registered themselves on the data bank for Independent Directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of Finance, Technology, Corporate governance, Global business, Personal values and they hold highest standards of integrity.

Board Evaluation

Annual Performance Evaluation was carried out for all Board Members, for the functioning of the Board and its Committees. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013. The Schedule IV to the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire board of Directors, excluding the director being evaluated.

The Board evaluation was carried out based on responses received from the Directors on the questionnaire designed.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Chairman of the Board / the Nomination and Remuneration Committee ("NRC") review the performance of the individual directors on the basis of the criteria approved by the Board and inputs received on the same.

In a separate meeting of Independent Directors held on December 9, 2020, performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

Training of Independent Directors

The Company conducts familiarization programmes for its Directors. which includes discussion on Industry Outlook, Regulatory updates at Board and Audit Committee Meetings covering changes with respect to the Companies Act, SEBI Listing Regulations, Taxation and other matters, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, SEBI Listing Regulations, Framework for Related Party Transactions etc. The Executive Director and Senior Managerial personnel make presentations at the Board Meetings about Company's operations, markets, financial results, human resources and on other important aspects.

The terms and conditions of the appointment of every Independent Director is available on the website of the Company at: http://hexaware.com/investors/

Details of the familiarization programme of the independent Directors are available on website of the Company at http://hexaware.com/investors/

Committees of the Board

Pursuant to retirement of one Independent Director and appointment of new Independent Directors during the year, the Board of Directors reconstituted committees of the Board.

The Board of Directors have following committees as on December 31, 2020:

1. Audit, Governance & Compliance Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Strategy and Risk Committee

The details of the composition of the committee and attendance of the meetings of Committees of the Board are provided in the Corporate Governance report.

Compliance of Secretarial Standards

The Company complies with all applicable secretarial standards.

Policy on directors and Key Managerial Personnel appointment and remuneration and other details

The Company's policy on directors and Key Managerial Personnel appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report.

Whistle Blower Policy

The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and other stakeholders to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy is reviewed annually by the Audit Committee to check the effectiveness of the policy. No personnel have been denied access to the Audit Committee. The provisions of this policy are in line with the provisions of Section 177 (9) of Companies Act, 2013. The policy is available on the website of the Company at : http://hexaware.com/investors/

Statutory Auditor

The Board of Directors of the Company at its meeting held on February 8, 2018 have appointed BSR & Co. LLP, Chartered Accountants, Mumbai with Registration no. 101248W/W-100022 as Statutory Auditors. Their appointment was confirmed by the members in the 25th Annual General Meeting held on May 3, 2018 for a period of 5 years, to hold office till the conclusion of 30th Annual General Meeting.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 27th AGM.

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit reports on the financial statements for the year ended December 31, 2020.

Internal Auditor

Internal Audit for the year ended December 31, 2020 was done by Pricewaterhousecoopers Private Limited and Internal Audit report for every quarter was placed before the Audit Committee.

Secretarial Auditor

M/s. Makarand M Joshi & Co., Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the year ended December 31, 2020 as per the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder. The Secretarial Audit report for the year ended December 31, 2020 is annexed to Board's report as **Annexure 3**. There are no qualifications, reservations, adverse remarks made by Secretarial Auditor in his report.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Cost Records

The Company is not required to maintain cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013

Significant/Material Orders Passed by the Regulators

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

Corporate Social Responsibility

Pursuant to the provisions of section 135 of the Companies Act, 2013, the Company spent ₹ 109.94 million towards CSR activities for the year ended December 31, 2020. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during year ended on December 31, 2020 as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 4** to this Report and CSR policy of the Company is available on our website at www.hexaware.com. The Composition of CSR Committee is given in the Corporate Governance Report.

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return in the prescribed Form MGT-9, is available on our website at www.hexaware.com and is also attached as **Annexure 5** to this report.

Financial Year

The Company has received an order from the Company Law Board under section 2 (41) of the Companies Act, 2013 for continuing January to December as its financial year. Hence the Company will maintain its financial year from January 1 to December 31.

Mobiquity Softech Private Limited, the subsidiary company has also received approval from Regional Director, Ahmedabad under section 2 (41) of the Companies Act, 2013 for continuing January to December as its financial year.

Particulars of Directors and Employees

The table containing names and other particulars of Directors in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5 (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as **Annexure 6** to the Board Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection in electronic mode. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place framework for employees to report sexual harassment cases at workplace and our process ensures complete confidentiality of information.

The Company has in place Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done through various programs and at regular intervals to the employees.

The Company has setup an Internal Complaints Committee (ICC) both at the registered office and at every location where it operates in India in accordance with the Act and has representation of men and women and is chaired by senior lady member and has an external women representation.

Awareness programs are conducted during induction for sensitising the employees with the provisions of the Act.

The following is the summary of the complaints received and disposed of during the financial year 2020:

a) No. of complaints received during the year: NIL

b) No. of complaints disposed of: NIL

c) No. of complaints pending: NIL

Green Initiatives

The Company started a sustainability initiative with the aim of going green and minimising the impact on the environment. Like the previous years, this year too, the Company is publishing only the statutory disclosures in the Annual Report. Additional information is available on our website, www.hexaware.com.

As a part of Green Initiative notice calling the Annual General Meeting, Corporate governance report, Directors' report, Audited financial statements, Auditors' report, etc are being sent through electronic mode to those members whose email addresses are registered with the Company / depositories Members may note that notice and annual report FY 2020 will also be available on Company's website www.hexaware.com, and on the website of NSDL www.evoting.nsdl.com

The Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

The facility of electronic voting system shall be made available during the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights to vote during the AGM through electronic voting system.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of the Company for the year 2020 forms part of this Annual Report.

Acknowledgment

The Directors place on record their sincere appreciation of the customers, Government of India and of other countries, vendors, bankers and Technology Partners for the support extended. The Directors are also deeply touched by the efforts, sincerity and loyalty displayed by the employees without whom the growth of the Company is unattainable. The Directors wish to thank the investors and shareholders for placing immense faith in them. The Directors seek and look forward to the same support during the future years of growth.

For and on behalf of the Board of Directors

Date: February 11, 2021
Place: Mumbai

Rajeev Kumar Mehta
Chairman

Annexure to the Directors' Report

Information Relating to Conservation of Energy, Technology Absorption, Research and Development and Foreign Exchange Earnings and Outgo forming Part of Directors Report in terms of Section 134 (3) (M) of the Companies Act, 2013, and rules made thereunder.

Conservation of Energy:

The Company is entirely a services Company and thus essentially, a non-energy intensive organisation, in spite of that the Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the important part of preserving natural resources. The Company has taken various initiatives as listed below, for energy conservation and preserving natural resources.

The Company has installed 1124 KW capacity Roof Top solar system in its Siruseri campus and 114KW at Mumbai MBP. Power generated in FY 2020 from these systems is 1657825 & 145558 Units respectively.

This results in avoiding of Green House Gas emission of about 1645 tons of CO2 (Carbon Dioxide). 1512 tons at Chennai and 133 at MBP.

Wind energy to the tune of about 4.3 million units are availed in year FY 2020 as Captive Power Consumer through 3rd party Private power agency.

89% of total energy consumed at Chennai campus is fed from Green Power (Wind & Solar).

Indoor and Ambient Air quality monitoring is done on monthly basis. CO2 level at inside work area is monitored to ensure pollution free environment.

Chennai campus is Zero-water discharge campus. Rainwater harvesting system is installed along the periphery.

There is a State of the art 220 KLD Sewage Treatment Plant (membrane bio-reactor technology) installed. The Treated water generated from STP is used for gardening purpose.

Gensets are pollution free as certified by Government Pollution Control agencies and the stacks are fixed at the prescribed heights and locations

In FY 2020, Sewage Treatment Plant (STP) treated water about 21,000KL at Chennai and 5325KL at Pune is recycled and reused. The Company undertakes several green campaigns throughout its locations.

Technology Absorption:

Systems Technology Group (STG) has continued to invest on transforming infrastructure in FY 2020. Our focus was to build a resilient, flexible and sustainable architecture using cutting-edge solutions. These investments have helped us to transition to a WFH environment seamlessly and quickly with no compromises on security or efficiency.

Transformed Infrastructure:

- Hyper Converged Infrastructure: We have stepped up migration from the traditional hardware to cutting edge Nutanix HCI. This technology converges the entire datacenter stack, including computer, storage, storage networking, and virtualisation. This has given us not just flexibility, scalability and redundancy but improved our uptime and reduced network latency making onboarding of new clients a breeze.
- Remote Access Tools: We have moved on from legacy remote access solutions to Always On VPN. AOVPN allows remote computers to automatically establish a secure VPN connection with no user intervention.
- ServiceNow: ServiceNow is the market leader in the ITSM tool space. The benefits of its SaaS offering with its native flexibility allowed us to quickly migrate from a legacy hosted solution, onboard new processes and build new solutions.

Enhanced Security:

- BitSight: BitSight is a security rating that has enabled us to measure, monitor and manage our cyber security. It helps us communicate more easily to our stakeholders about our organisation's security posture.
- Migration to CrowdStrike: CrowdStrike is the leader in endpoint proactive threat detection. Its cloud platform has facilitated a quick migration and more efficient management of endpoints across the globe.
- Mobile Application Management: MAM has helped us secure and enables IT control over enterprise applications on end users' corporate and personal devices.
- Multi Factor Authentication: Our Identity and Access Management has been strengthened with the role out of MFA across the organisation.

Research & Development:

The Company has a state-of-the-art Innovation lab & Offering engineering lab. This is in line with the Company's established philosophy of maintaining and sustaining leadership status. The Company perpetuates thought leadership through establishment of structured organisational frameworks. It includes top down innovation themes & crowd sourcing bottom up innovation.

The offering engineering lab services request from service offering owners in crafting pre-build solutions that's required for their respective offerings. Offering engineering lab is engineering hub for building & maintaining all frameworks, solutions, accelerators & solutions pertaining to Hexaware offerings cutting across all verticals & horizontals. The key goal has been to translate the business domain and technology expertise acquired through wide array of engagements and translate that to methodologies and tools to mitigate technology risks and accelerate customer value. Some of the target areas include tools for extreme automation, cloud migration, modern delivery & accelerators that de-risks engagements & solutions pertaining to customer & employee experience.

Innovation Lab pursues all research & development activities within the organisation. Innovation lab does secondary research & applied innovation. Innovation Lab primarily focuses future trends in the area of business technology & domains for its impact to customers & Hexaware.

Lab interfaces with the Customers, business units, vendors, start-ups, analysts' groups and Hexaware alliances. Innovation lab is an-enabler to drive customer's business objectives and its more aligned to our business and our customer needs. The key goal of this lab is to drive thought leadership & future proofing for Hexaware & its customers.

Innovation lab over the years has incubated number of service offerings and horizontal businesses. The current key focus area for incubation is in the emerging area of vision & experiential technologies. These include Virtual tours, Augmented Reality, Mixed Reality, Virtual Reality, Smart Glasses, Head Mounted Displays, Microsoft Hololens, Digital Human & Computer Vision based AL/ML technologies. These extended reality technologies help blur the line between the real world & the virtual world and help turn enterprises into becoming digital predators in their respective markets.

With the global pandemic impacting our customers and prospects ability to travel to visit us in our delivery centers, Innovation Lab launched "Hexaware Immersive" – the first in our Industry, a fully interactive Digital Twin of our global campuses, enabling customers to visit our campuses and our talent virtually in a in a way that's nearly close to being there. A first of the kind in the Industry. The solution allows teams to replicate client visits in campuses virtually & showcase many of our success stories.

Innovation lab is currently working with teams in creating high value use cases & solutions and working with customers directly to enable them to become a digital predator by creating new digital solutions. Some of the business outcomes using vision & extended realities includes driving Sales, employee effectiveness, immersive customer interactions and drive training / simulations in the area where its expensive, difficult, dangerous or impossible to create otherwise in the real world.

Foreign Exchange Earnings and Outgo:

The details of Foreign Exchange Earnings and Outgo are mentioned below:

(₹ in million)

	Year 2020	Year 2019
Foreign Exchange Earnings	22,675.12	19,820.34
Foreign Exchange outgo	2,253.34	2,008.65

For and on behalf of the Board of Directors

Date : February 11, 2021 — **Rajeev Kumar Mehta**

Place : Mumbai — **Chairman**

Annexure - 1

Form AOC - 1

Statement Pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Subsidiaries

(₹ million)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Name of the Subsidiary	Hexaware Technologies Inc- USA	Hexaware Technologies UK Ltd	Hexaware Technologies GMBH	Hexaware Technologies Asia Pacific Pte Ltd	Hexaware Technologies Ltd - Mexico, Mexico S.De. R.L De.C.V.	Hexaware Technologies Canada Ltd	Hexaware Technologies Saudi LLC	Hexaware Technologies Romania SRL	Hexaware Technologies LLC - Russia	Hexaware Technologies Hong Kong Ltd - Hongkong	Hexaware Technologies Nordic AB - Sweden	Hexaware Technologies South Africa (Pte) Ltd	Shanghai Hexaware Information Technologies Company Limited	Mobiquity Inc	Mobiquity Velocity Solutions Inc	Mobiquity Cooperative UA	Mobiquity BV	Morgan Clark BV	Mobiquity Softech Private Limited
Reporting currency and exchange rate as on the date of the relevant financial year in case of foreign subsidiaries	USD 73.07	GBP 99.82	Euro 89.74	SGD 55.26	MXN 3.68	CAD 57.31	SAR 19.48	RON 18.44	RUB 0.97	HKD 9.43	SEK 8.94	ZAR 4.97	CNY 11.17	USD 73.07	USD 73.07	USD 73.07	EUR 89.74	EUR 89.74	INR 1.00
Share Capital	586.87	216.31	16.23	27.63	29.77	1.34	9.74	2.07	153.17	18.33	8.94	11.17	9.77	0.00	20.82	-	1.62	1.62	0.10
Reserve and Surplus	5,543.93	498.94	388.35	520.15	539.35	188.53	(7.14)	(145.26)	(131.98)	52.99	(36.53)	2.09	(7.47)	1,350.58	(171.25)	-	443.97	6.61	179.46
Total Assets	20,367.19	4,288.73	857.82	887.33	871.25	273.36	66.35	2.24	30.91	145.25	98.31	193.61	4.26	2,012.13	0.05	-	1,604.42	275.68	436.83
Total Liabilities	14,236.39	3,573.48	453.24	339.55	302.14	83.49	63.75	145.43	9.71	73.93	125.90	180.35	1.96	661.55	150.47	-	1,158.83	267.45	257.27
Investments	13,307.06	6.81	0.22	1.00	-	-	-	-	-	-	-	-	-	302.29	-	-	-	-	-
Turnover *	27,607.69	7,546.08	912.58	1,181.21	1,667.43	726.73	90.02	-	14.84	111.33	221.16	209.43	19.00	4,080.13	-	-	2,824.68	341.77	593.89
Profit / (Loss) before taxation *	1,193.49	275.03	28.12	75.96	157.63	64.22	2.36	(20.12)	(13.99)	3.87	8.17	2.09	(4.67)	613.06	-	-	153.86	33.50	87.42
Provision for taxation *	763.56	52.26	11.13	9.15	64.37	17.12	1.07	-	-	0.33	-	-	-	0.68	0.02	-	54.40	-	18.85
Profit / (Loss) after taxation *	429.93	222.78	17.00	66.81	93.26	47.10	1.29	(20.12)	(13.99)	3.54	8.17	2.09	(4.67)	612.38	(0.02)	-	99.46	33.50	68.56
Proposed Dividend	Nil	Nil	Nil	440.78	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	10w0%

* Converted at average exchange rates

Notes:

1 Mobiquity Inc is a wholly owned subsidiary of Hexaware Technologies Inc.
2 Mobiquity Velocity Solutions, Inc and Mobiquity Velocity Cooperative UA are wholly owned subsidiaries of Mobiquity Inc.
3 Mobiquity BV and Morgan Clark BV are subsidiaries of Mobiquity Velocity Cooperative UA.
4 Hexaware Technologies Romania SRL and Hexaware Technologies South Africa (Pte) Ltd are wholly owned subsidiaries of Hexaware Technologies UK Ltd.
5 Guangzhou Hexaware Information Technologies Company Limited-China closed on August 31, 2020.
6 The group sold off the investment in associate Experis Technology Solutions Pte Ltd on December 8, 2020.
7 Proposed dividend represents, amount declared and paid by the subsidiary during the year ended 31st December, 2020.

Place : Mumbai
Date : 11 February 2021

Annexure - 2

Form No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts /arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1	Details of contracts or arrangements or transactions not at arm's length basis	There are no contracts or arrangements or transactions with related parties which are not at arm's length
2	Details of material contracts or arrangements or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of relationship:	Wholly owned subsidiaries Hexaware Technologies Inc, USA ("HTInc.") Hexaware Technologies UK Ltd. ("HTLUK")
(b)	Nature of contracts/arrangements/transactions:	Software, consultancy and ITES income
(c)	Duration of the contracts / arrangements/transactions:	Ongoing.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company shall provide IT/ITES Offshore Services (generally services are performed in India) to HTInc. & HTLUK clients including where required, including monitoring and supervisory support in relation to the delivery of software solutions and customisation, testing and installation and ITES services and Corporate gurantee for the borrowing by HTInc. During the year, the total income earned from HTInc. & HTLUK towards provision of IT / ITES services were ₹ 2,122.96 million & ₹ 2,792.16 million. The transactions of recovery of cost from HTInc. & HTLUK was ₹ 359.34 million & ₹ 174.21 million respectively The corporate guarantee charges towards HTInc. was ₹ 15.66 million.
(e)	Date(s) of approval by the Board, if any:	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Date: February 11, 2021
Place: Mumbai

Rajeev Kumar Mehta
Chairman

Annexure - 3

FORM NO. MR.3

Secretarial Audit Report

For the Financial Year from 1st January 2020 to 31st December, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Hexaware Technologies Limited
152, Millenium Business Park,
Sector 3R TTC Industrial Area Mahape,
Navi Mumbai
Maharashtra 400710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hexaware Technologies Limited** (hereinafter called the "Company")(hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1St January 2020 to 31st December 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, further there are no External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (hereinafter referred to **"Insider Trading Regulations")**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018; **(Not Applicable to the Company during the Audit Period)**

(vi) As identified, no law is specifically applicable to the company.

- The Special Economic Zone Act, 2005
- Policy relating to Software Technology Parks of India and its regulations

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 **(hereinafter referred to "LODR")**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc as mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

1. the company has allotted 19,46,134 equity shares pursuant to Employee Stock Option Scheme.
2. the company got delisted with effective from 9th November 2020 pursuant to approval of SEBI received on 19th October 2020.

For Makarand M. Joshi & Co.
Practising Company Secretaries

Makarand Joshi
Partner
FCS No: 5533
CP No. 3662

Place: Mumbai UDIN No: F005533B002790524
Date: 11 February 2021 Peer review No: P2009MH007000

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,
The Members,

Hexaware Technologies Limited
152, Millenium Business Park,
Sector 3R TTC Industrial Area Mahape,
Navi Mumbai
Maharashtra 400710

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Practising Company Secretaries

Makarand Joshi
Partner
FCS No: 5533
CP No. 3662

Place: Mumbai UDIN No: F005533B002790524
Date: 11 February 2021 Peer review No: P2009MH007000

Annexure - 4

CSR Report -2020 (for Financial Year Commenced Prior to 1st Day of April, 2020)

1. A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs.

Hexaware Technologies Limited (Hexaware) is committed to contributing towards its societal responsibilities beyond statutory obligations. Hexaware's Corporate Social Responsibility (CSR) initiative aims to broaden the vision of being accountable to the community and the environment.

Our belief in good citizenship is a driver to create maximum impact through our CSR programs in areas of:

1. Education and women empowerment
2. Environment
3. Health and sanitation
4. Sports, arts and culture
5. Skill Development
6. Supporting large-scale causes such as disaster relief or any other cause as determined by Hexaware's CSR Committee

The CSR Policy adopted by Hexaware is available in the given web link:

https://hexaware.com/wp-content/uploads/2019/11/csr-policy.pdf

2. The Composition of the CSR Committee.

Hexaware has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013.

The members of the CSR committee as on December 31, 2020:

Name	Designation
Ms. Madhu Khatri	Chairperson
Mr. Atul Nishar	Member
Mr. Jimmy Mahtani	Member
Mr. Milind Sarwate	Member

3. Average net profit of the Company for last three financial years – 5,489.88 (₹ million)

4. Prescribed CSR Expenditure (two per cent. of the amount, as in item 3 above) – 109.80 (₹ million)

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 109.80 million

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below.

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project. - State and District	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).
1	Udaan & Umeed - Empowerment of children of sex workers in the red-light area & Empowerment of Women by providing alternative livelihood opportunities for women in red light area	Eradicating hunger, poverty and malnutrition, promoting education, enhancing vocational skills, livelihood enhancement	Yes	Mumbai	FY 2020	30,16,159	30,16,159	-	Apne Aap Women's Collective
2	Digital and Financial Education	Promoting education	Yes	Chennai	FY 2020	11,55,530	11,55,530	-	American India Foundation
3	Antar Bharti Balgram Yojna - Holistic development of underprivileged children	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education, enhancing vocational skills, livelihood enhancement	Yes	Lonavla	FY 2020	33,76,080	33,76,080	-	India Sponsorship Committee
4	Art Education and Seminar - Art 1st	Promoting education	Yes	Mumbai	FY 2020	2,94,093	2,94,093	-	Art1st Foundation
5	Providing digital literacy in 10 Government Schools through setting up of computer labs	Promoting Education	Yes	Chennai and Mumbai	FY 2020	1,45,882	1,45,882	-	Team Everest
6	Nutritional Outreach Program	Eradicating hunger, poverty and malnutrition and promoting preventive health care	Yes	Pune and Mumbai	FY 2020	57,40,002	57,40,002	-	Cuddles Foundation
7	Pond Restoration Projects - Environmental Foundation of India	Ensuring environmental sustainability	Yes	Chennai	FY 2020	8,15,400	8,15,400	-	Environmental Foundation of India
8	Providing Scholarship to 425 underprivileged and meritorious students to support higher studies	Promoting Education	Yes	Chennai, Mumbai and Pune	FY 2020	37,00,000	37,00,000	-	Idea Foundation
9	Mentorship & Skill Training for Girls	Promoting education, including employment enhancing vocation skills among women	Yes	Mumbai	FY 2020	18,90,208	18,90,208	-	Katalyst India
10	Skill development training for employability	Promoting employment enhancing vocation skills and livelihood enhancement among youth	Yes	Chennai, Mumbai and Lonavla	FY 2020	47,84,171	47,84,171	-	Magic Bus Foundation
11	Providing prosthetic legs for amputees	Eradicating hunger, poverty and malnutrition and promoting preventive health care	Yes	Chennai	FY 2020	10,00,000	10,00,000	-	Dream Runner Foundation

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project. - State and District	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).
12	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	7,32,000	7,32,000	-	Save the children
13	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	7,32,000	7,32,000	-	Helen Keller Institute
14	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	2,72,000	2,72,000	-	Manav Foundation
15	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	3,05,000	3,05,000	-	United Ways Mumbai
16	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	7,32,000	7,32,000	-	Apne Aap Women's Collective
17	Promoting children's education	Promoting education	Yes	Mumbai	FY 2020	4,55,000	4,55,000	-	Katalyst India
18	Promoting children's education	Promoting education	Yes	Delhi	FY 2020	2,72,000	2,72,000	-	Vidya & Child
19	Supporting junior women athletes and para athletes in sports training	Training to promote nationally recognised sports and Olympic sports	Yes	Mumbai	FY 2020	53,00,000	53,00,000	-	Olympic Gold Quest
20	Providing complete care program including healthcare and education support to girls on living on the streets	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education	Yes	Chennai and Mumbai	FY 2020	1,08,31,007	1,08,31,007	-	Rainbow Homes
21	Holistic development and nurturing of underprivileged children	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education, enhancing vocational skills, livelihood enhancement	Yes	Chennai, Mumbai and Pune	FY 2020	36,28,800	36,28,800	-	SOS Children Village
22	Promoting science awareness among high school students, increasing their understanding of science and attracting them into scientific careers through activities emphasising hands-on research.	Promoting Education	Yes	Chennai	FY 2020	35,50,000	35,50,000	-	Sky Star Foundation

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project. - State and District	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).
23	Providing training to people with disability to get employment in retail industry	Promoting education, including special education and employment enhancing vocational skills	Yes	Chennai, Mumbai and Pune	FY 2020	52,81,848	52,81,848	-	TRRAIN
24	Vocational training centre and support for Persons with Disability	Promoting employment enhancing vocation skills and livelihood enhancement projects among differently abled	Yes	Chennai	FY 2020	4,02,575	4,02,575	-	V-Excel Educational Trust
25	Early intervention Programme	Promoting education, including special education for the differently abled	Yes	Chennai	FY 2020	8,62,500	8,62,500	-	V-Excel Educational Trust
26	Promoting hygiene, sanitation practices in 21 Government Schools	Promoting Education, promoting preventive health care and sanitation	Yes	Mumbai	FY 2020	21,00,000	21,00,000	-	Yuva Unstoppable
27	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Mumbai	FY 2020	18,32,450	18,32,450	-	Apne Aap Women's Collective
28	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Chennai	FY 2020	2,00,000	2,00,000	-	Aid India
29	Remote learning through tablets	Promoting Education	Yes	Chennai	FY 2020	25,00,000	25,00,000	-	American India Foundation
30	Provided ventilators and PPE kits to the hospitals	Promoting health care including preventinve health care	Yes	Mumbai & Pune	FY 2020	6,00,000	6,00,000	-	Cuddles Foundation
31	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Mumbai	FY 2020	15,00,000	15,00,000	-	Idea Foundation
32	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Nagpur	FY 2020	7,00,000	7,00,000	-	Lions Club of Nagpur
33	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Bangalore	FY 2020	2,00,000	2,00,000	-	Janaagraha Organization
34	Provided medical equipments, ventilators and PPE kits to the hospitals	Promoting health care including preventinve health care	Yes	Kotagiri	FY 2020	30,60,000	30,60,000	-	Kotagiri Medical Fellowship Hospital
35	Provided ventilators and PPE kits to the hospitals	Promoting health care including preventinve health care	Yes	Chennai, Mumbai, Pune & Haryana	FY 2020	2,99,76,140	2,99,76,140	-	Yuva Unstoppable

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project. - State and District	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).
36	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Mumbai	FY 2020	2,00,000	2,00,000	-	Praja and Madhu Mehta Foundation
37	Provided support to CMC Hospital	Promoting health care including preventinve health care	Yes	Vellore	FY 2020	9,71,553	9,71,553	-	Direct
38	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Pune	FY 2020	2,00,000	2,00,000	-	Seva Sahayog Foundation
39	Provided groceries to the needy people	Eradicating hunger & poverty	Yes	Delhi	FY 2020	2,00,000	2,00,000	-	Save the Children India
40	Supporting on Digital Inclusion	Promoting Education	Yes	Delhi	FY 2020	13,65,000	13,65,000	-	Sampark
41	Monitoring, Evaluation of projects and administrative expenses	Admin Expenses	NA	NA	FY 2020	50,59,499	50,59,499	-	Direct
Total						10,99,38,897	10,99,38,897		

6. **In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

   Since the Company spent the entire 2% of the prescribed budget, this question is not applicable.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

   The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The CSR Committee of the Board is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Date: February 11, 2021
Place: Mumbai

R Srikrishna
CEO & Executive Director

Madhu Khatri
Chairperson CSR Committee

Annexure - 5

FORM NO. MGT 9

Extract of Annual Return

As on financial year ended on 31.12.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1	CIN	L72900MH1992PLC069662
2	Registration Date	20/11/1992
3	Name of the Company	HEXAWARE TECHNOLOGIES LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	152, Millenium Business Park, Sector 3rd 'A' Block, TTC Industrial Area Mahape, Navi Mumbai 400710 Tel: +91 22 4159 9595 Fax: +91 22 41599578 www.hexaware.com Email id:Investori@hexaware.com
6	Whether listed company	No (Shares of the Company were delisted from Stock Exchanges w.e.f November 9, 2020)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**KFin Technologies Private Limited** **Unit: Hexaware Technologies Limited** **Corporate office:** Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Hyderabad - 500 032 Contact details: Tel: +91 40 67162222 Fax number: +91 40 23420814 Email: einward.ris@kfintech.com Website: www.kfintech.com **Investor Relation Centre:** 24 B, Rajabahadur Mansion, Ground Floor, Amabalal Doshi Marg, Fort, Mumbai – 400 023 Tel: 022 66235454 Email: einward.ris@kfintech.com Website: www.kfintech.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	HT Global IT Solutions Holdings Limited 3rd Floor, 335 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.	Foreign Company	Holding	62.04	2(46)
2	HT Global Holdings BV Jupiter Building, Herikerbergweg 88, Amsterdam, The Netherlands	Foreign Company	Holding	33.18	2(46)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	Hexaware Technologies Inc. 101 Wood Avenue South, Suite 600, Iselin, New Jersey 08830 USA	Foreign Company	Subsidiary	100	2(87)
4	Hexaware Technologies GmbH, Germany Mainzer Landstr. 33, 60329 Frankfurt am Main Germany	Foreign Company	Subsidiary	100	2(87)
5	Hexaware Technologies UK Limited Level 19, 40 Bank Street, Canary Wharf, London – E14 5NR	Foreign Company	Subsidiary	100	2(87)
6	Hexaware Technologies Asia Pacific Pte. Limited 180, Cecil Street, # 09-03, Bangkok Bank Building, SINGAPORE 69546	Foreign Company	Subsidiary	100	2(87)
7	Hexaware Technologies Canada Limited 2 Robert Speck Parkway, Suite 735, Mississauga, ON L4Z 1H8.	Foreign Company	Subsidiary	100	2(87)
8	Hexaware Technologies Mexico S de RL De CV Avenida San Angel # 240 Piso 3, Fracc. San Agustin, Saltillo, Coah. C.P. 25215, Mexico	Foreign Company	Subsidiary	100	2(87)
9	Hexaware Technologies LLC Russian Fedreration,170100, Tver, Industrialnaya building 7	Foreign Company	Subsidiary	100	2(87)
10	Hexaware Technologies Romania SRL AFI Park 4, 4A Timisoara Blvd., District 6, Bucharest 61328, Romania	Foreign Company	Subsidiary	100	2(87)
11	Hexaware Technologies Saudi LLC P.O. Box No.: 30024, Kingdom of Saudi Arabia Office No. 406 - A, Al Olaya Mazaya Tower, Riyadh	Foreign Company	Subsidiary	100	2(87)
12	Hexaware Technologies Hong Kong Limited RM 1906, 19/F LEE Garden One, 33 Hysan Avenue Causeway Bay Hong Kong	Foreign Company	Subsidiary	100	2(87)
13	Hexaware Technologies Nordic AB HMR Redovisning AB, Tellusvagen, 5A, 186 36 Vallentuna, Stockholm, Sweden	Foreign Company	Subsidiary	100	2(87)
14	Hexaware Information Technologies (Shanghai) Company Limited Room 202, Block 1 No.255, Meisheng Road, China (Shanghai) Free Trade Area	Foreign Company	Subsidiary	100	2(87)
15	Mobiquity Inc 51 Sawyer Road, Suite 410, Waltham, Massachusetts	Foreign Company	Subsidiary	100	2(87)
16	Mobiquity Velocity Solutions, Inc 51 Sawyer Road, Suite 410, Waltham, Massachusetts	Foreign Company	Subsidiary	100	2(87)
17	Mobiquity Cooperatief UA Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
18	Mobiquity BV Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
19	Morgan Clark BV Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
20	Hexaware Technologies South Africa (PTY) Ltd 13th Floor, Pier Place 31 Heerengracht Street Cape Town, 8001 South Africa	Foreign Company	Subsidiary	100	2(87)
21	Mobiquity Softech Private Limited 5th Floor, Tower B, Privilon, B/H Iskon Temple, Ambli Brt Road, Ahmedabad 380059	U72200GJ2010PTC062188	Subsidiary	100	2(87)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-01-2020]				No. of Shares held at the end of the year [As on 31-12-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	186,318,590	-	186,318,590	62.44%	285,969,229	-	285,969,229	95.22%	29.81%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	186,318,590	-	186,318,590	62.44%	285,969,229	-	285,969,229	95.22%	29.81%
Total (A)	186,318,590	-	186,318,590	62.44%	285,969,229	-	285,969,229	95.22%	29.81%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	34,607,745	3,920	34,611,665	11.60%	3,840	-	3,840	0.00%	(11.60%)
b) Banks / FI	122,710	2,320	125,030	0.04%	1,484	2,260	3,744	0.00%	(0.04%)
c) Central Govt	-	-		0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies		-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	50,637,106		50,637,106	16.97%	366,521		366,521	0.12%	(16.85%)
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Alternate Investment fund	-		-	0.00%	-		-	0.00%	0.00%
j) Others	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	85,367,561	6,240	85,373,801	28.61%	371,845	2,260	374,105	0.12%	(28.49%)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-01-2020]				No. of Shares held at the end of the year [As on 31-12-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,952,684	8072	2,960,756	0.99%	112,306	8072	120,378	0.04%	(0.95%)
ii) Overseas	10	0	10	0.00%	10	0	10	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	15,194,329	1,781,284	16,975,613	5.69%	7,427,534	1,677,414	9,104,948	3.03%	(2.70%)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,073,035	0	2,073,035	0.69%	262,984	0	262,984	0.09%	(0.60%)
c) Others (specify)							-		
Non Resident Indians	2689673	121390	2,811,063	0.94%	2605404	126792	2,732,196	0.91%	(0.06%)
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	6000	-	6,000	0.00%	0	0	-	0.00%	(100.00%)
Clearing Members	173,157	0	173,157	0.06%	2,042	0	2,042	0.00%	(0.06%)
Trusts	18,480	0	18,480	0.01%	480	0	480	0.00%	(0.01%)
IEPF	1,673,816	-	1,673,816	0.56%	1,764,083	-	1,764,083	0.59%	0.01%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	24,781,184	1,910,746	26,691,930	8.95%	12,174,843	1,812,278	13,987,121	4.66%	(0.28%)
Total Public (B)	110,148,745	1,916,986	112,065,731	37.56%	12,546,688	1,814,538	14,361,226	4.78%	0.22%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	296,467,335	1,916,986	298,384,321	100.00%	298,515,917	1,814,538	300,330,455	100.00%	

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HT GLOBAL IT SOLUTIONS HOLDINGS LIMITED	186,318,590	62.44%	0	186,318,590	62.04%	0	-0.40%
2	HT GLOBAL HOLDINGS B.V.	-	0.00%	0	99,650,639	33.18%	0	33.18%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of Shares	% total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	186,318,590	62.04						
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				Acquisition pursuant to delisting offer	99,650,639	33.18		
	At the end of the year	285,969,229	95.22					285,969,229	95.22

The details of datewise increase / decrease in Shareholding of Promoters is available on Company's website at www.hexaware.com

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (01-01-2020)		Shareholding at the end of the year (31-12-2020)	
	Name of Shareholder	No. of Shares	% of the total Shares	No. of Shares	% of the total Shares
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1,673,816	0.56	1,764,083	0.59
2	RAMAKARTHIKEYAN SRIKRISHNA	650,000	0.22	925,000	0.31
3	RAVI VAIDYANATHAN	248,500	0.08	160,813	0.05
4	SAMEER NURONDAYYA MAROOR	148,600	0.05	148,600	0.05
5	MCKINLEY CAPITAL MEASA FUND OEIC LIMITED	140,730	0.05	140,730	0.05
6	DEEPAK GARG	137,900	0.05	137,900	0.05
7	CHINMOY BANERJEE	12,900	0	135,181	0.05
8	KAMESWARAN VENKATESAN	127,330	0.04	127,330	0.04
9	VINOD CHANDRAN	122,760	0.04	122,760	0.04
10	SIDDHARTH DHAR	NIL	0.00	111,600	0.04

The details of datewise increase / decrease in Shareholding of top ten Shareholders is available on Company's website at www.hexaware.com

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Atul Kantilal Nishar						
	At the beginning of the year	01.01.2020		1,000	0.00%	1,000	0.00%
	Changes during the year	24.09.2020	Sale of Shares	1,000	0.00%		0.00%
	At the end of the year	31.12.2020		NIL	0.00%	NIL	0.00%

Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	R Srikrishna*						
	At the beginning of the year	01.01.2020	shares issued on exercise of RSU	6,50,000	0.22%	6,50,000	0.22%
	Changes during the year	28.07.2020		1,75,000	0.06%		
		21.08.2020		1,00,000	0.03%		
	At the end of the year	31.12.2020				925,000	0.31%
2	Vikash Kumar Jain						
	At the beginning of the year	01.01.2020	shares issued on exercise of RSU	NIL		NIL	0.00%
	Changes during the year	28.07.2020		10,000	0.00%		
		08.09.2020	Sale	10,000	0.00%		
	At the end of the year	31.12.2020				NIL	0.00%
3	Gunjan Sumit Methi						
	At the beginning of the year	01.01.2020	shares issued on exercise of RSU	7,426	0.00%	7,426	0.00%
	Changes during the year	17.02.2020	Sale of Shares	2,650	0.00%		
		13.05.2020	shares issued on exercise of RSU	1,240	0.00%		
		10.09.2020	Sale of Shares	6,016	0.00%		
	At the end of the year	31.12.2020		NIL	0.00%	NIL	0.00%

* No Director or KMP hold Shares of the Company except the name of Directors and KMP mentioned above

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	NIL	1,750.00	NIL	NIL
* Reduction	NIL	1,750.00	NIL	NIL
Net Change	-		-	-
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-

Above does not include borrowings taken by a subsidiary company in the form of term loan of US$ 20 million and outstanding balance of US$ 6 million of Working capital loan as on December 31, 2020

VI. Remuneration of Directors and key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	**R Srikrisna**	
	Designation	**CEO & Executive Director**	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.20	5.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option	56.54	56.54
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)	61.74	61.74
	Ceiling as per the Act		321.24

i. Above does not include remuneration of ₹ 87.17 million paid by overseas subsidiary of the Company
ii. The Cost computed and amortised over vesting period as per Ind AS 102 Share Based Payment

B. Remuneration to other Directors

(₹ million)

Sr. No.	Particulars of Remuneration	Fee for attending board and committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors				
1	P R Chandrasekar	0.40	7.37	-	7.77
	Meera Shankar	0.10	2.10	-	2.20
	Milind Sarwate	0.28	4.99	-	5.27
	Madhu Khatri	0.30	4.99	-	5.29
	Rajeev Kumar Mahta	0.06	1.79	-	1.85
					22.38
	Total (1)	1.14	21.24	-	22.38
2	Other Non-Executive Directors				
	Kosmas Kalliarekos	-	-	-	-
	Jimmy Mahtani	-	-	-	-
	Atul Nishar	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1.14	21.24	-	22.38
	Total Managerial Remuneration	-	-	-	84.12
	Overall Ceiling as per the Act [u/s 197(1) (i)]	-	-	-	706.73

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ million)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Vikash Kumar Jain**	**Gunjan Methi**	
	Designation	**CFO**	**CS**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.25	2.65	18.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option**	3.29	0.33	3.62
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total	19.54	2.98	22.52

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties or punishments levied on the Company during the year. Also, there was no necessity for the Company to compound any offence.

Annexure - 6

The information required u/s 197 of the Act read with rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

		2020
	Details of policy relating to the appointment and remuneration for the directors, key managerial personnel and other employees	
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Based on annualised cost to company basis (excluding stock option compensation cost)
	R Srikrishna - CEO and Executive Director (excluding remuneration paid by subsidiary company)	9.48
	Non-executive Directors - Commission (*)	
	Milind Sarwate	13.51
	Madhu Khatri	13.51
	Meera Shankar**	13.51
	Rajeev Mehta	13.51
	P R Chandrasekar	13.51
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Based on annualised cost to company basis (excluding stock option compensation cost)
	R Srikrishna - CEO and Executive Director	0.80%
	Non-executive Directors - Commission (#)	
	Milind Sarwate	0.00%
	Madhu Khatri	0.00%
	Rajeev Mehta	0.00%
	P R Chandrasekar	0.00%
	Vikash Kumar Jain, CFO	0.00%
	Gunjan Methi, CS	0.00%
(iii)	the percentage increase in the median remuneration of employees in the financial year	There is no increase in median remuneration during the year
(iv)	the number of permanent employees on the rolls of company;	14,848
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is no increase in salaries during the year at all the levels
(vi)	affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per policy of the Company

* based on the average currency exchange rate for the year
** Retired on April 10, 2020
# determined on the basis of the base currency value as per terms of appointment

For and on behalf of the Board

Date: February 11, 2021
Place: Mumbai

Rajeev Kumar Mehta
Chairman

Business Responsibility Report

Section A: General Information about the Company:

1. **Corporate identity number (CIN) of the Company:** L72900MH1992PLC069662
2. **Name of the Company:** Hexaware Technologies Limited
3. **Registered address:** 152, Millennium Business Park, Sector III 'A' Block TTC Industrial Area Mahape, Navi Mumbai 400710
4. **Website:** www.hexaware.com
5. **E-mail id:** Investori@hexaware.com
6. **Financial year reported:** January 1, 2020 to December 31, 2020
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

NIC CODE	PRODUCT DESCRIPTION
620	Computer Programming, Consultancy and Related activities

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
   1. Application Transformation Management
   2. Enterprise Solutions
   3. Business Process Services
   4. Infrastructure management services
   5. Digital Assurance
   6. Business Intelligence (BI) and Analytics Services
9. Total number of locations where business activity is undertaken by the Company:

   There are 37 global locations

   i. Number of International Locations (details of major 5): Please refer page no. 247 for Global Presence.

   ii. Number of National Locations: Please refer page no. 247 for National Presence.
10. Markets served by the Company:

    North America, Europe and Asia Pacific

Section B: Financial Details of the Company:

(₹ in million)

		FY 2020 Standalone	FY 2020 Consolidated
1.	**Paid up Capital**	**600.66**	**600.66**
2.	Total Turnover		
	(a) Revenue from operations	24,277.87	62,620.80
	(b) Exchange rate difference (net)	389.36	267.36
	(b) other Income	520.31	78.73
3.	**Profit after tax**	**5,381.77**	**6,215.00**

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** The Company carries on its CSR activities primarily through implementation agencies (I.e support to various NGOs in different projects) and through own initiatives.

   The Company has spent ₹ 109.94 million during the Financial Year 2020 on CSR activities. This amounts to more than 2% of the amount required to be spent on CSR as prescribed by the Companies Act, 2013.
5. List of activities in which expenditure in 4 above has been incurred: -
   1. Education and woman Empowerment
   2. Environment
   3. Health and sanitation
   4. Skill development
   5. Sports, arts and culture
   6. Supporting large-scale causes such as disaster relief or any other cause as determined by Hexaware's CSR Committee

   Please refer page no. 98 to 102 of this Annual Report for the detailed report on CSR.

Section C: Other Details:

i. **Does the Company have any Subsidiary Company/ Companies?**

Yes, the Company has 21 Subsidiaries Companies (including step down Subsidiaries) as on December 31, 2020. Please refer the complete list on page 103 and 104 of this Annual Report

ii. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

Yes, The Company conducts BR initiatives and encourages its subsidiary companies to participate in its group-wide BR initiatives. All subsidiaries participate in BR Initiatives, except small ones which are not operational.

iii. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**

The Company does not mandate its suppliers/ distributors to participate in the Company's BR. However, they are encouraged to adopt such practices and follow the concept of being a responsible business organisation. The Company encourages its suppliers / distributors to participate in Company's BR initiatives.

Section D: BR Information:

1. Details of Director/Directors responsible for BR:

a) **Details of the Director/Directors responsible for implementation of the BR policy / policies:**

The Board of Directors and Corporate Social Responsibility (CSR) committee of the board is responsible for the implementation of relevant BR Policies.

Details of directors are given under the Corporate Governance Report on page 120 & 121 of this Annual report.

b) **Details of the BR head:**

Sr. no.	Particulars	Details
1.	DIN Number	Not Applicable
2.	Name	Dr. Vishwanath Joshi
3.	Designation	Chief People Officer
4.	Telephone no.	022 – 4159 9595
5.	Email id	Investori@hexaware.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

(a) Details of Compliances:

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Yes	Yes	Yes	Yes	Yes	Yes Note: 7	No Note: 8	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3	Does the policy conform to any national / international standards?	Note:1	Note:1	Note:1	Note:1	Note:1	Note:1	NA	Note:1	Note:1

Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Yes	NA- Note: 6	NA- Note: 6	Yes	NA- Note: 6	Yes	NA	Yes	Yes
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
6	Indicate the link for the policy to be viewed online?	NA Note:3	NA Note:3	NA Note:3	NA Note:2	NA Note:3	NA Note:2	NA	NA Note2	NA Note3
7	Has the policy been formally communicated to all relevant internal and External stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes Note: 8	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes

Note 1: The policies are framed as per applicable law and as per Industry standards.

Note 2: It has been Company's practice to upload policies on Company's website for the information of all the stakeholders. The Code of Conduct for Directors, the code of conduct of Independent Directors, the Code of Conduct for senior management, whistle blower policy and CSR Policy are available on the website http://hexaware.com/investors/.

Note 3: The policy is uploaded on intra Company website and access of the same is available to all the employees of the Company.

Note 4: While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Note 5: While your Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Note 6: The Policy is approved by respective department heads of the Company.

Note 7: Environment protections is one of the thirst areas in CSR Policy and Company has taken initiates relating to Environment protection.

Note 8: The Company does not have separate policy for advocacy, however Company participates in various suggestions / comments submitted by trade and industry chambers to respective government departments.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – NOT APPLICABLE If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **NOT APPLICABLE**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next six months.	--	-	--	-	-	-	-	-	-
5	It is planned to be done within the next one year.	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify).	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

a) **Indicate the frequency with which the Board of Directors, Committee of Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than one year.**

Annually

b) **Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report will be uploaded on the Company's website www.hexaware.com annually.

Section E: Principle-wise performance:

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

No

i. **Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

Yes

The Company has an anti-bribery policy in place that governs the ethics and other matters related to bribery and corruption. The mentioned policies are applicable to the employees across all grades including senior executives, and fixed-term or temporary employees like trainees, contractors, retainers etc.

The Company also has well defined Code of Conduct for all employees, Senior Management and Directors of the Company that covers issues, inter alia, related to ethics, honesty, misconduct etc. The anti-bribery policy and code of conduct of Employees is available on intra website of the Company and easily accessible to all the employees; the code of Conduct of Senior Management and Directors is available on the website of the Company www.hexaware.com. The code of conduct of the employees and Senior Management applies to all the employees and Senior Management of Company respectively, including its subsidiaries. It covers dealings with vendors, customers and other business partners.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the reporting year, the Company received following Complaints from Stakeholders:

Sr. no.	Particular	Number of complaints received during the year	Number of Complaints resolved	Percentage of Complaints satisfactorily resolved
1.	Complaints from Shareholder	12	12	100
2.	Complaints from Employees under Sexual harassment	NIL	NIL	NIL
3.	Complaints from Employees under whistle blower	5	5	100

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   The Company offers IT and ITES related services to clients and all our services are fundamentally premised on improving resource efficiency and reducing environmental footprint. Please refer page no.8 and 9 for Services offered by the Company.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

   The Company is entirely Service Company and thus essentially, a non-energy intensive organisation. Please refer section on the conservation of energy on page 92 of Annual report detailing contribution of the Company towards environment, energy and natural resource conservation.

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company has installed 1124 KW capacity Roof Top solar system in its Siruseri campus and 114KW at Mumbai MBP. Power generated in FY 2020 from these systems is 1657825 & 145558 Units respectively.

   This results in avoiding of Green House Gas emission of about 1645 tons of CO2 (Carbon Dioxide). 1512 Tons at Chennai and 133 at MBP.

   Wind energy to the tune of about 4.3 million units are availed in year FY 2020 as Captive Power Consumer through 3rd party Private power agency.

   89% of total energy consumed at Chennai campus is fed from Green Power (Wind & Solar).

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Yes, the organisation has Procurement Policy in place for sustainable sourcing including transportation. The Company discourages discrimination with any vendor on the basis of gender, nationality, ethnicity, religion, disability etc. The Company encourage sustainable sourcing and ensures that social and environmental performance extends to our supply chain by sharing our expectations with our vendors from time to time. The Company generally give preference to local vendors.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes

   The major factors influencing selection of Suppliers are nature of goods and services, quality, Capability, performance & on-time delivery and price. As per procurement process of the Company, purchase manager and head procurement select the vendors for all purchase request received from various departments. While selecting the vendors, preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations with an objective of creating employment and economic opportunities in local area. The procurement department of the Company give regular feedback to the vendors. The purpose of feedback is to help the vendors to bring in external perspectives on the services rendered, improvement opportunities, quantitative measurement of service levels and compare performance against the previous period. Also, regular interaction with the vendors and educating them about the standards of quality required and their importance helps to enhance their approach and understanding of support functions.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   In FY 2020, Sewage Treatment Plant (STP) treated water about 21,000KL at Chennai and 5325KL at Pune is recycled and reused. The Company undertakes several green campaigns throughout its locations.

Principle 3

1. **Please indicate the Total number of employees**

   19,833 including subsidiaries and contract employees

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**

   1,753.

3. **Please indicate the Number of permanent women employees**

   Total women employees were 5,654 including on contract basis comprising of 29% of total work force.

4. **Please indicate the Number of permanent employees with disabilities**

   The Company does not discriminate specially-abled people at the time of recruitment. On December 31, 2020, there are around 18 specially-abled employees.

5. **Do you have an employee association that is recognised by management**

   No

6. **What percentage of your permanent employees is members of this recognised employee association**

   NA

7. **Please indicate the closing head count of Contractors**

   1,158

8. **Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. no.	Category	No. of complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1.	Child labor/forced labor/involuntary Labor Sexual harassment	NIL	NIL
2.	Sexual harassment	NIL	NIL

9. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   During 2020 we had conducted below mentioned initiatives/ programs/activities/ towards the well-being and safety of our employees:

   a. Medical Care – To create Covid related awareness and to provide health & diet tips which involved Experts from reputed Hospitals to provide great insights.

   b. Ergonomics care in collaboration with reputed Brand to help employees combat the pandemic situation.

   c. Eye Care to help reduce stress which enabled our employees for self-care and also for their loved ones.

   Please refer section on HexaVarsity on page 85 and 86 of Directors report training / re-skilling initiatives of the Company

Principle 4

1. **Has the Company mapped its internal and external stakeholders?**

   Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

   Refer the section under CSR initiatives on page 98 to 102 of this Annual report detailing work done and impact created for the disadvantaged / vulnerable and marginalised people of the Society.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   Policy on Human rights covers all subsidiaries and contractors

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the reporting year, the Company have received following Complaints from Stakeholders:

Sr. no.	Particular	Number of complaints received during the year	Number of Complaints resolved	Percentage of Complaints satisfactorily resolved
1.	Complaints from Shareholders	12	12	100
2.	Complaints from Employees under Sexual harassment	NIL	NIL	NIL

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

   Environment protection is one of the key areas of CSR initiatives of the Company. It covers entire group and its contractors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Hexaware strives to responsible consumption of natural resources. Our endeavour is to make all our future investments confirm to highest energy saving and reduced carbon emission devices. Therefore, to ensure no or minimum wastage/misuse we have implemented the below mentioned mitigation measures:

   a. Indoor and Ambient Air quality monitoring is done on monthly basis. CO2 level at inside work area is monitored to ensure pollution free environment.

   b. Chennai campus is Zero-water discharge campus Rainwater harvesting system is installed along the periphery.

   c. There is a State of the art 220 KLD Sewage Treatment Plant (membrane bio-reactor technology) is installed. The Treated water generated from STP is used for gardening purpose.

   d. In FY 2020, Sewage Treatment Plant (STP) treated water about 21,000KL at Chennai and 5325KL at Pune is recycled and reused.

      The Company undertakes several green campaigns throughout its locations.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   The Company is well aware regarding environmental risk and have taken various initiatives to reduce the environmental risk.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Yes

   As part of CSR initiatives, Hexaware has a self-implemented programs related to Clean and Safe Neighborhood which ensures that the community in and around Hexaware's Campus is clean and hygienic and uses environmental friendly technology to reduce the strain on non-renewable energy sources.

   The Company has been working on the Digital and Financial Education Program in 13 government/ corporation schools in Chennai and added 10 more municipal schools in Mumbai. This project empowers teachers and enables a learning environment with focus on project-based learning.

   Apart from this, the Company helped the government schools on the beautification works through volunteering activities. This time, to make this Leap Year February a remarkable one by helping for the Government. schools through various activities like wall painting, black board painting, clean-up drive and educational material preparation. Employees of the Company spent considerable time for beautification of works.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**
   Refer section on energy conservation on page 92 of Annual report.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, these are within the permissible limits.

7. **Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any show cause / Legal Notice from CPCB / SPCB during the year

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company is a member of following trade chamber or association:

   - The National Association of Software and Services Companies (NASSCOM);
   - Bombay Chamber of Commerce

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   Yes

   The Company participates with the industry association's consultation on various aspects like governance and administration, Economic reforms, Development policies (focus on skill buildings and literacy) and Tax and other legislations.

Principle 8

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has taken various initiative / projects / Programmes under CSR. The details of CSR activities are given in **Annexure 4** of Directors Report.

2. **Are the programmes/projects undertaken through in house team/own foundation/external NGO/government structures/any other organisation?**

   CSR initiatives are implemented either directly by the Company through its employees or through implementing agency which provide guidance to Company to identify CSR projects and NGOs having an established track record of at least 3 years in carrying on the specific activity.

3. **Have you done any impact assessment of your initiative?**

   The Company does extensive due diligence of partnering NGO's and monitors and evaluates progress/outcomes during the course of the program through project reports and assessments conducted by Implementing Agencies.

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

   Total amount spent on community development projects during Financial Year 2020 thorough CSR was ₹ 109.94 million. The details of the project undertaking are given under CSR Report on page no. 98 to 102 of Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. The Company ensure that all the community initiatives adopted by the Company under CSR are successfully implemented and benefitted to community. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, periodical reports, field visits, telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   None

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Hexaware is software solution provider hence this question is not applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There is no such case against the Company.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Customer satisfaction survey is done on an annual basis to measure the level of satisfaction of customer. An Independent agency conducts the survey. The Company scored 84.29 as against an industry score ranging from 43.81 to 84.32. 84.29 is the highest score that we have achieved in the last seven years and we are ranked second highest in the IT industry as well. We have also received the highest scores till date for all key business metrics namely advocacy, loyalty, satisfaction and value for money.

Corporate Governance Report

1. Brief Statement on philosophy on Code of Governance:

Achieving success through Ethics, Transparency and Accountability is Hexaware's Corporate Governance philosophy. We firmly believe that it is only through good corporate governance practices can we achieve sustainable growth of the organisation and create long-term shareholder value. Hence, our endeavour has always been to go beyond the letter of the law and observe corporate governance practices in the true spirit of the law, with high levels of accountability, transparency and integrity. Hexaware's commitment to ethical and lawful business conduct is a fundamental value of our Board of Directors, management and employees and is critical to the Company's success. We continuously build value for customers through innovative use of technology and talent without compromising on our core values such as honesty and integrity. We are committed to adopt International best practices in Corporate Governance. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company.

There is a separation of the role of Chairman of the Board and the Chief Executive Officer; a practice that has been in place for more than 15 years in the Company. The Company has adopted the Code of Conduct for Board of Directors, senior management personnel, Prevention of Insider Trading and Whistle Blower Policy. Further, the Company provided detailed disclosures in its quarterly financial statements to show where the funds are invested. With the focus on the core corporate governance principles of accountability, transparency and integrity and adoption of suitable global, local and industry best practices, the Company is moving ahead in its pursuit of excellence in corporate governance. The code of conduct of Board of Directors and senior management personnel are available on the website of the Company at http://hexaware.com/investors/.

The Company voluntarily complies with most of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") even after delisting of the company w.e.f November 9, 2020.

2 Board of Directors:

2.1 Composition and category of Directors:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience. The Board comprises of eight (8) Directors as on December 31, 2020. Of these, seven Directors are Non- Executive and four amongst them are Independent Directors. Mr. Atul Nishar was Non-Executive Chairman of the Board till December 31, 2020. Mr. Rajeev Kumar Mehta is the Chairman w.e.f. January 1, 2021.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under SEBI LODR Regulations and Section 149 of the Companies Act, 2013.

The composition of the Board of Directors of the Company as on December 31, 2020 is given below:

Name	Designation	Category	Shareholding as on December 31, 2020
Mr. Atul Nishar (DIN 00307229)	Chairman	Non-Independent Non-Executive	NIL
Mr. Jimmy Mahtani (DIN 00996110)	Vice-Chairman	Non-Independent Non-Executive	Nil
Mr. R. Srikrishna (DIN 03160121)	CEO & Executive Director	Non-Independent Executive	925,000
Mr. Kosmas Kalliarekos (DIN 03642933)	Director	Non-Independent Non-Executive	Nil
Mr. P. R. Chandrasekar (DIN 02251080)	Director	Independent Non-Executive	Nil
Mr. Milind Sarwate (DIN 00109854)	Director	Independent Non-Executive	NIL
Ms. Madhu Khatri (DIN 00480442)	Director	Independent Non-Executive	NIL
Mr. Rajeev Kumar Mehta (DIN 08897689)	Director	Independent Non-Executive	NIL

2.2 Attendance of each Director at the Board Meetings, the last Annual General Meeting and number of other Directorship or committees in which a Director is a member or Chairperson:

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2020 was as follows: -

Directors	Board meetings held during the tenure of Director	Board meetings attended during the year	Whether attended last AGM	Directorship of other Indian Public Companies	Board Committee Membership/ (Chairmanship)	Directorship of other listed entity (Category of Directorship)
Mr. Atul Nishar	10	10	Yes	1	1(1)	NIL
Mr. R. Srikrishna	10	9	Yes	NIL	NIL	NIL
Mr. Jimmy Mahtani	10	10	Yes	1	2	NIL
Mr. Kosmas Kalliarekos	10	8	No	NIL	NIL	NIL
Mr. P. R. Chandrasekar	10	10	Yes	NIL	2	NIL
Mr. Milind Sarwate	7	7	Yes	6	8(5)	Mahindra & Mahindra Financial Services Ltd., Matrimony.com Ltd., Metropolis Healthcare Limited., SeQuent Scientific Limited.
Ms. Madhu Khatri	7	7	Yes	1	1	Sasken Technologies Ltd.
Mr. Rajeev Kumar Mehta	2	2	N.A.	NIL	2	NIL

Notes:

1. None of the Directors of the Company hold membership of more than ten Committees nor is a Chairperson of more than five committees, across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at December 31, 2020 have been made by the Directors.
2. The committees considered for the above purpose are Audit Committee and Stakeholders Relationship Committee.
3. Video Conferencing facilities are also used to facilitate directors who are travelling / residing abroad or at other locations to participate in the meetings and are counted for the purpose of attendance.

2.3 Number of meetings of the Board of Directors held and dates of the Board Meeting held:

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed one hundred and twenty days. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board. All the departments in the Company communicate to the Company Secretary well in advance, matters requiring approval of the Board / Committees of the Board to enable inclusion of the same in the agenda for the Board / Committee meeting(s). The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments. Pursuant to Secretarial Standard, draft minutes and signed minutes of the previous Meeting are circulated within the prescribed time. Action taken report arising out of previous meeting is placed at the succeeding meeting of the Board / Committee.

During the year, ten Board Meetings were held respectively on February 10, 2020, February 11, 2020, March 20, 2020, April 29, 2020, June 12, 2020, June 20, 2020, June 23, 2020, July 28, 2020, October 22, 2020 and December 18, 2020.

The necessary quorum was present for all the meetings.

Information as mentioned in Schedule II as per regulation 17 (7) of SEBI Listing Regulations, 2015 has been placed before the board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at http:// hexaware.com/investors/

During the year a separate meeting of the Independent Directors was held on December 9, 2020 to review the performance of Non-Independent Directors, Chairperson and the Board as a whole.

The Board periodically reviews compliance reports of all laws applicable to the Company.

2.4 Relationship between the Directors inter-se:

The Board comprises of combination of Independent, Non-Executive and Executive Director. None of the Directors have any relationship with other Directors. Mr. Kosmas Kalliarekos and Mr. Jimmy Mahtani are representatives of Holding Company (promoters).

2.5 Number of shares and convertible instruments held by Non-Executive Directors:

The details of shares held by the Non-Executive Directors are already given under 2.1 above. The Company has not issued any type of Convertible instruments to Non-Executive Directors.

2.6 Familiarization programme of Independent Director of the Company:

In order to enable the Directors to fulfil the governance role, comprehensive presentations are made on business updates, business models, risk minimisation procedures, new initiatives by the Company etc. Changes in domestic/overseas industry scenario including their effect on the Company, statutory matters are also presented to the Directors during the Board Meetings. The Board Meetings are generally conducted for 6 to 8 hours and Board Meetings were held on February 10, 2020, February 11, 2020, March 20, 2020, April 29, 2020, June 12, 2020, June 20, 2020, June 23, 2020, July 28, 2020, October 22, 2020 and December 18, 2020. The familiarization programmes of Independent Directors of the Company is available on the website of the Company at the following link http:// hexaware.com/ investors/

2.7 The Board identified the following skills/expertise/competencies fundamentals for effective functioning of the Company which are currently available with the Board:

Wide management and leadership experience:	Wide management and leadership experience including in areas of strategic planning, business development, mergers and acquisitions etc. focusing on strong business development both organic and in-organic way.
Technology:	Experience in information technology business, technology consulting and operations, emerging areas of technology, technical background to understand future technological trends and to focus on innovations and develop new business model.
Corporate governance:	Experience in developing governance practices, serving the best interest of all stakeholders, effective long term stakeholders' engagement, developing and maintaining high corporate values and ethics.
Global business:	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Personal values and integrity:	Personal characteristics matching the Company's values, such as integrity, accountability, and high-performance standards. Board has gender, age and ethnic diversity, which leads to better Board outcomes.

3 Audit Committee:

The Audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and is in line with SEBI Listing Regulations, 2015.

The primary objective of the committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors, the safeguards employed by each of them.

The Company has framed the mandate and working procedures of the Audit committee in line with SEBI Listing Regulations, 2015 defining therein the Role, Membership, powers, meeting procedures etc.

3.1 Composition, name of Members and Chairman:

The Audit Committee of the Company comprised of the following members at the start of the year: Mr. P R Chandrasekar (Chairman), Mrs. Meera Shankar, Mr. Jimmy Mahtani, all being Non-Executive Directors and two of them being Independent Directors. The Committee was reconstituted upon the retirement of Mrs. Meera Shankar and appointment of Independent Directors, Mr. Milind Sarwate and Ms. Madhu Khatri.

The Audit Committee of the Company as on December 31, 2020 comprised of the following members: Mr. Milind Sarwate (Chairman), Mr. P R Chandrasekar, Ms. Madhu Khatri, Mr. Jimmy Mahtani and Mr. Rajeev Kumar Mehta all being Non-Executive Directors and four of them being Independent Directors.

All members of the Audit Committee have accounting and financial management knowledge.

The Chief Financial Officer, the Partner / Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. The Company Secretary of the Company acts as the secretary to the Committee.

During the year, the Audit Committee met five times respectively on February 11, 2020, April 29, 2020, June 23, 2020, July 28, 2020 and October 22, 2020. The necessary quorum was present at the meetings.

Mr. P R Chandrasekar, the then Chairman of Audit Committee had attended the Annual General Meeting held on July 4, 2020 and answered the queries raised by the shareholders.

The attendance record of the members is as per the table given in point 3.3

3.2 Broad terms of reference:

The terms of reference of the Audit Committee are as follows:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to
   1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   a. Changes, if any, in accounting policies and practices and reasons for the same;

   b. Major accounting entries involving estimates based on the exercise of judgment by management;

   c. Significant adjustments made in the financial statements arising out of audit findings;

   d. Compliance with listing and other legal requirements relating to financial statements;

   e. Disclosure of any related party transactions;

   f. Modified opinion (s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;

11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of Chief Financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.3 Meetings and Attendance during the year 2020:

Name of the Director	Category	No. of meetings held during the tenure	Meetings Attended
Mr. Milind Sarwate - Chairman (w.e.f. April 25, 2020)	Independent	4	4
Mr. P R Chandrasekar – Chairman (till reconstitution of Committee)	Independent	5	5
Ms. Madhu Khatri	Independent	4	4
Mr. Jimmy Mahtani	Non-Independent	5	5
Mr. Rajeev Kumar Mehta	Independent	-	-

4 Nomination and Remuneration Committee:

4.1 Brief description and terms of reference:

The Company has framed the mandate and working procedures of the committee as required under Section 178 of Companies Act, 2013 defining therein the Role, Membership, meeting procedures etc. as per SEBI Listing Regulations.

The role of the Nomination & Remuneration Committee shall include the following which is in line with SEBI LODR regulations:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

(2) Formulation of criteria for evaluation of performance of Independent Directors and the board of directors.

(3) Devising a policy on diversity of board of directors.

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

(6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

4.2 Composition, name of members and chairperson:

The Nomination and Remuneration Committee of the Company comprised of the following members at the start of the years : Mrs. Meera Shankar (Chairperson), Mr. Kosmas Kalliarekos, Mr. Jimmy Mahtani, Mr. P R Chandrasekar all being Non-Executive Directors and two being Independent Directors.

Mrs. Meera Shankar ceased to be member of the Committee on completion of her second term as Independent Director. The Committee was reconstituted w.e.f. April 25, 2020.

The Nomination and Remuneration Committee of the Company as at December 31, 2020 comprised of the following members:

Mr. P R Chandrasekar – Chairman, Ms. Madhu Khatri, Mr. Kosmas Kalliarekos, Mr. Jimmy Mahtani and Mr. Rajeev Kumar Mehta.

4.3 Meeting and attendance during the year 2020:

During the year, the Nomination & Remuneration Committee met 2 (two) times that is on February 11, 2020 and July 27, 2020. Necessary quorum was present at the meeting. The attendance record is as per the table given below:

Name of the Director	Category	No. of meetings held during the tenure	Meetings Attended
Mrs. Meera Shankar – Chairperson (till her cessation i.e., April 10, 2020)	Independent	1	1
Mr. P. R Chandrasekar (Current Chairman)	Independent	2	2
Ms. Madhu Khatri	Independent	1	1
Mr. Kosmas Kalliarekos	Non-Independent	2	1
Mr. Jimmy Mahtani	Non-Independent	2	2
Mr. Rajeev Kumar Mehta	Independent	-	-

4.4 Performance evaluation criteria:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

SEBI listing regulations state that, the evaluation of independent directors shall be done by the entire board of directors which shall include -

(a) performance of the directors; and

(b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

The functioning of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Chairman of the Board / the Nomination and Remuneration Committee ("NRC") review the performance of the individual directors on the basis of the criteria approved by the Board.

The performance of Independent Director was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as Independence, attendance and participation at meetings, etc.

In a separate meeting of Independent Directors held on December 9, 2020, performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

5 Remuneration of Directors:

5.1 Remuneration Policy:

The Company has adopted and implemented the provisions of Section 178 of the Companies Act, 2013 on the requirement of the Nomination & Remuneration Committee recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The remuneration payable to Executive Director and Chief Executive Officer shall be arrived after taking into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support a high-performance culture.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management person will involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals. The compensation may include Employee Stock Options or other similar equity instruments as may be approved by the Committee.

Non-Executive Directors of the Company shall be paid a sitting fee for attending meetings of the Board and Committees. The Non-Executive Directors are also paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the relevant financial year subject to shareholders approval.

5.2 Details of pecuniary relationship or transactions of the Non- Executive Directors with the Company during the year 2020:

Sr. No.	Name of Director	Commission (₹ in million)	Sitting Fees (₹ in million)	ESOP
1.	Mr. Atul Nishar	NIL	NIL	NIL
2.	Mr. Jimmy Mahtani	NIL	NIL	NIL
3.	Mr. Kosmas Kalliarekos	NIL	NIL	NIL
4.	Mrs. Meera Shankar	2.10	0.10	NIL
5.	Mr. P. R. Chandrasekar	7.37	0.40	NIL
6.	Mr. Milind Sarwate	4.99	0.28	NIL
7.	Ms. Madhu Khatri	4.99	0.30	NIL
8.	Mr. Rajeev Kumar Mehta	1.79	0.06	NIL

5.3 Criteria of making payments to Non-Executive Directors:

The Company pays Sitting Fees of (a) ₹ 20,000/- per meeting to its Independent Directors for attending meetings of the Board and (b) ₹ 20,000/- per meeting for attending meetings of Committees of the Board.

For the year 2020 payment of commission was made to the Independent Directors Mrs. Meera Shankar, Mr. P R Chandrasekar, Mr. Milind Sarwate, Ms. Madhu Khatri, Mr. Rajeev Mehta based on their terms of appointment on proportionate basis. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

No payment by way of bonus, pension, incentives, stock options etc. was made to Non-Executive Directors.

5.4 Disclosure with respect to remuneration of Mr. R Srikrishna, CEO & Executive Director:

Particulars	₹ in million
Salary and allowance	5.06
Benefits*	56.68
Bonus	-------
Pension	-------
Fixed Components	-------
Performance linked incentives	-------
Severance fees	-------
Total	61.74
Notice Period	90 days

*Note :

i. Above does not include remuneration of ₹ 87.17 million paid by overseas subsidiary of the Company to Mr. R Srikrishna.

ii. Cost computed as per Ind AS 102 Share Based Payments and amortised over vesting period.
On July 27, 2020, 167,838 Restricted Stock Units (RSUs) were granted at a price of ₹ 2/- to Mr. R Srikrishna, CEO & Executive Director under the Employee Stock Option Scheme 2015 exercisable into equal number of equity shares of the Company, which shall vest after one year.

6 Stakeholders Relationship Committee:

This Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and the SEBI listing regulations. The Stakeholders Relationship Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc. The scope of committee includes the following:

- Resolving investor's complaints and strengthening of investor relations
- Monitoring and reviewing service functioning of Registrar and Transfer Agents
- Review process of share transfers, non-receipt of annual reports, Dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

Shareholders Services:

For the purpose of facilitating the shareholders, the Company has posted on its website detailed services for the Shareholders which contain information on the following:

a) Procedure for Dematerialisation of shares;

b) Procedure for transmission of shares;

c) Change of address;

d) Dividend;

e) Nomination Facility;

f) Loss of Share Certificates;

g) Rights as a Shareholder;

h) Registrar / Share Transfer Agent;

i) Details of Compliance officer / Designed official responsible for assisting and handling investor grievances;

j) Contact details of Key Managerial Personnel authorise to determining the materiality of an event or information;

k) Investor Education and Protection Fund details;

l) Details of Nodal Officer

6.1 Composition, meeting and attendance of the Committee meetings:

The Stakeholders Relationship Committee of the Company as at December 31, 2020 comprised of the following members: Mr. Atul Nishar (Chairman), Mr. Jimmy Mahtani, Mr. P R Chandrasekar and Mr. Rajeev Kumar Mehta all being Non-Executive Directors and two of them being Independent Director.

During the year, the Stakeholders Relationship Committee met 1 (one) time that is on February 11, 2020.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of Director	Category	No. of meetings held during the tenure of Director	Attended
Mr. Atul Nishar - Chairman	Non – Independent	1	1
Mr. Jimmy Mahtani	Non – Independent	1	1
Mr. P R Chandrasekar	Independent	1	1
Mr. Rajeev Kumar Mehta	Independent	-	-

6.2 Name and designation of Compliance officer and Nodal Officer for IEPF Compliances:

Name of the Company Secretary and the Compliance Officer, Nodal Officer for IEPF Compliances	Mrs. Gunjan Methi
Address	Building No. 152, Millennium Business Park, Sector III, “A” Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
Contact telephone	+91 22 6791 9595
E-mail	gunjanm@hexaware.com

6.3 Summary of Shareholders Complaints:

Number of Complaints received	12
Number of Complaints not solved to the satisfaction of Shareholders	Nil
Number of Pending Complaints	Nil

7 CSR Committee:

The Corporate Social Responsibility Committee of the Company comprised of following members at the start of the year: Mrs. Meera Shankar (Chairperson), Mr. Atul Nishar and Mr. Jimmy Mahtani. The committee was reconstituted w.e.f. April 25, 2020 and following were the members of the Committee as on December 31, 2020: Ms. Madhu Khatri – Chairperson, Mr. Milind Sarwate, Mr. Atul Nishar and Mr. Jimmy Mahtani all being Non-Executive Directors and Chairperson being Independent Director.

The scope of the committee is to:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The committee oversees the CSR activities and execution of initiatives approved by the Board. The CSR policy of the Company is available on our website http://hexaware.com/investors/.

Meeting and attendance during the year 2020:

During the year, the Corporate Social Responsibility Committee met 3 (Three) times that is on February 11, 2020, May 18, 2020, and September 16, 2020.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of Director	Category	No. of meetings held during the tenure of Director	Attended
Mrs. Meera Shankar – Chairperson till April 10, 2020	Independent	1	1
Ms. Madhu Khatri – Chairperson (w.e.f. April 25, 2020)	Independent	2	2
Mr. Milind Sarwate	Independent	2	2
Mr. Atul Nishar	Non-Independent	3	3
Mr. Jimmy Mahtani	Non-Independent	3	3

8 Strategy and Risk Committee:

The Strategy and Risk Committee of the Company as on December 31, 2020 comprised of the following members: Mr. Atul Nishar (Chairman), Mr. Jimmy Mahtani, Mr. Kosmas Kalliarekos, Mr. P R Chandrasekar all being Non-Executive Directors.

The Strategy and Risk Committee is constituted for reviewing the strategic plan for the Company and identifying potential business and operational risks.

During the year, the Strategy and Risk Committee met 1 (One) time that is on February 11, 2020.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of Director	Category	No. of meetings held during the tenure of Director	Attended
Mr. Atul Nishar – Chairman	Non-Independent	1	1
Mr. Jimmy Mahtani	Non-Independent	1	1
Mr. Kosmas Kalliarekos	Non-Independent	1	1
Mr. P R Chandrasekar	Independent	1	1

9 Other Committees:

There are no Committees other than Five Committees mentioned above.

10 Risk Management:

The Company has well defined Enterprise Risk Management (ERM) framework in place. The primary objective of ERM function is to implement a framework that augments risk response decisions and reduce surprises. ERM programme involves risk identification, assessment and risk mitigation planning for strategic, operational, financial and compliance related risks across various levels of the organisation.

The Board of Directors and senior management team assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

Detailed note on Risk Management is given in the Business Overview section and in the Management Discussion and Analysis Report.

11 General Body Meetings:

11.1 Location, date and time where the last three Annual General Meetings were held:

Financial year	General Meeting	Location	Date	Time	Particulars of special resolution passed
2019	27th Annual General Meeting	Online via video conferencing / other audio-visual means ("VC/OAVM")	Saturday, July 4, 2020.	9:00 a.m.	1. Payment to Non-Whole-time Directors.
2018	26th Annual General Meeting	Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	Tuesday, April 23, 2019.	3:30 p.m.	1. Re-appointment of Mr. P R Chandrasekar as a Non- Executive Independent Director 2. Adoption of New Articles of Association
2017	25th Annual General Meeting	4th Floor, Rangswar, Auditorium, Yeshwantrao Chavan Centre, General Jagannath Bhosale Marg, Near Mantralaya, Mumbai – 400 021.	Thursday, May 3, 2018	3:00 p.m.	1. Re-appointment of Mrs. Meera Shankar as a Non- Executive Independent Director

All special resolutions set out in the notices for the AGMs were passed by the shareholders at the respective meetings with requisite majority.

11.2 Location, date and time where the last Extra Ordinary General Meeting held:

Details of National Company Law Tribunal (NCLT) convened meeting of the Equity Shareholders of Hexaware Technologies Limited:

Financial year	Location	Date	Time	Particulars of special resolution passed
2017	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/ Kala Ghoda, Mumbai - 400 001	Monday, April 24, 2017	3:00 p.m	Approval of Scheme of Amalgamation of Risk Technology International Limited with Hexaware Technologies Limited and their respective Shareholders

Resolution set out in the notice of the NCLT convened meeting of Shareholders of Hexaware Technologies Limited was passed by the shareholders with requisite majority.

11.3 Postal Ballot:

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), the Company passed the Special Resolution for Approval for Voluntary Delisting of the Equity Shares of the Company from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") by postal ballot, the details of voting are given below:

Approval for Voluntary Delisting of the Equity Shares of the Company from the BSE Limited and the National Stock Exchange of India Limited.

Particulars	e-voters		e-votes Total		Percentage (%) of total paid up capital		Percentage of total votes polled	
Voting exercised through e-voting	-	**1,197**	-	**26,50,97,691**	-	**88.6970**	-	**100.0000**
Members voted in favour of the resolution (Assent)	-	**705**	-	**25,94,15,010**	-	**86.7956**	-	**97.8563**
Promoter	2	-	18,63,18,590	-	62.3389	-	70.2830	-
Public shareholders	703	-	7,30,96,420	-	24.4567	-	27.5733	-
Members voted against the resolution (Dissent)	-	**492**	-	**56,82,951**	-	**1.9014**	-	**2.1437**
Promoter	0	-	0	-	0	-	0	-
Public shareholders	492	-	56,82,951	-	1.9014	-	2.1437	-
Members who abstained from voting.*	-	**0**	-	**0**	-	**0**	-	**0**

M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Sections 110 and 108 of the Companies Act, 2013 (the "Act"), and all other applicable provisions, if any, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), General Circular No. 14/ 2020 dated 8 April 2020, General Circular No. 17/ 2020 dated 13 April 2020 and General Circular No. 22/ 2020 dated 15 June 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19" issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), Regulation 8(1)(b) of the Delisting Regulations, and applicable provisions of the LODR Regulations; the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

On account of difficulties posed in the dispatch of this Notice along with the explanatory statement by post or courier, due to the threat posed by the COVID-19 pandemic and as permitted under the MCA Circulars, the Company sent Notice of Postal Ballot in electronic form only to all the members whose e-mail addresses were registered with the Company or with the depositories In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the aforementioned MCA Circulars, the Company extended the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting were appended to the Notice. The members had to vote on resolutions through remote e-voting facility only. Assent or dissent of the members on the resolution mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars.

The e-voting commenced on Friday, July 10, 2020, at 9.00 a.m. IST and ended on Saturday, August 8, 2020 at 5.00 p.m, IST. The e-voting module was disabled by NSDL for voting thereafter.

On the basis of the Report of the Scrutinizer, M/s. S N ANANTHASUBRAMANIAN & CO., Practicing Company Secretaries, Mr. R Srikrishna, Executive Director, on behalf of Board declared the result of Postal Ballot and announced that the Special Resolution as specified in the Postal Ballot Notice was duly passed by the requisite majority. The result of postal ballot was displayed on the website of the Company (www.hexaware.com), besides being communicated to the Stock Exchanges and Registrar & Share Transfer Agents. The date of declaration of results of Postal Ballot was the date on which the resolution was deemed to have been passed, approved by requisite majority.

12 Means of Communication:

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

(a) Financial Results were published in Business Standard in English and Navshakti in Marathi. Other communications were also published in Business Standard and Navshakti in Marathi.

(b) The Company's audited financial results, press releases and the presentations made to institutional investors and analyst and other intimations to Stock Exchanges are posted on the Company's website - www.hexaware.com and websites of BSE and NSE viz. www.bseindia.com and www.nseindia.com

13 General Shareholder information:

13.1 Twenty Eight Annual General Meeting:

Date	April 22, 2021
Time	9:00 a.m.
Venue	Online via Video Conference and Other Audio-Visual Means

13.2 Financial Calendar for the year 2020:

Financial year		January 01, 2020 to December 31, 2020
Dividend Payment	1st	Interim Dividend was paid on July 7, 2020 @ ₹ 3.00 per share (150%) which may be confirmed by the shareholders at the ensuing Annual General Meeting.
	2nd	Interim Dividend was paid on August 14, 2020 @ ₹ 1.50 per share (75%) which may be confirmed by the shareholders at the ensuing Annual General Meeting.

13.3 Financial reporting (tentative and subject to change)

December 31, 2021	By February 28, 2022
Annual General Meeting for the year ending December 31, 2021	On or before June 30, 2022

13.4 Scrip Information:

Name of the Exchange	Code	Reuters	Bloomberg
BSE Ltd.	532129	HEXT.BO	HEXW:IN
National Stock Exchange of India Limited	"HEXAWARE"	HEXT.NS	
ISIN Demat	INE093A01033		

Corporate Identification number of the Company (CIN): L72900MH1992PLC069662

Company stands de-listed from both Stock Exchanges w.e.f. November 9, 2020.

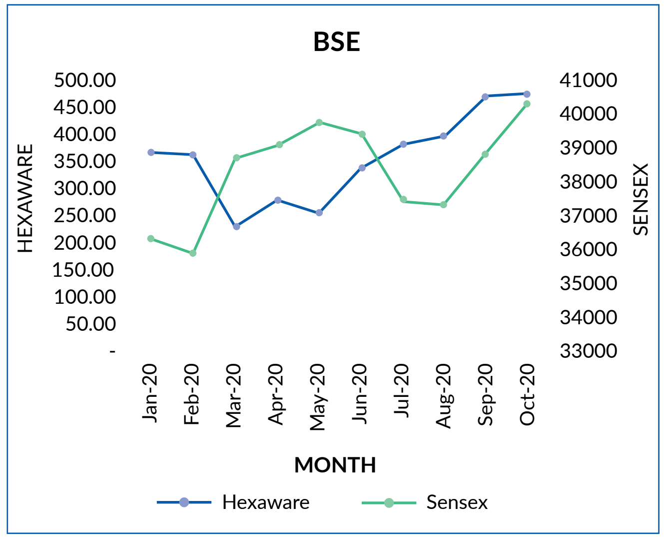
13.5 Stock Market Data:

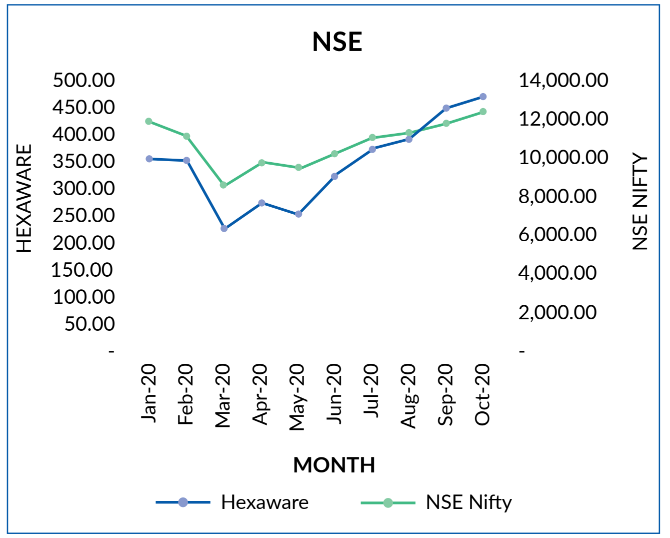
The high / low of the shares of the Company from January 2020 to October 2020 is given below:

Month	BSE (₹)		NSE (₹)	
	High	Low	High	Low
January'20	367.00	322.45	366.00	322.45
February'20	393.60	342.00	394.00	344.15
March'20	371.50	201.70	371.90	202.25
April'20	306.00	216.35	306.45	216.10
May'20	275.65	231.00	275.95	231.10
June'20	346.90	253.40	350.00	256.00
July'20	392.80	330.75	393.00	330.75
August'20	441.75	377.45	442.00	377.55
September'20	468.95	391.05	468.90	391.10
October'20	471.90	462.05	471.75	464.25

Trading of Equity Shares of the Company was stopped by both Stock Exchanges that i.e. BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. November 2, 2020 and Company stands de-listed w.e.f. November 9, 2020.

13.6 Stock Performance:





13.7 Registrar and Share Transfer Agent:

In order to attain speedy processing and disposal of share transfers and other allied matters, the Board has appointed M/s. KFin Technologies Private Limited as the Registrar and Share Transfer Agent of the Company. Their complete postal address is as follows:

KFin Technologies Private Limited Unit: Hexaware Technologies Limited	
Corporate office:	**Investor Relation Centre:**
Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Hyderabad - 500 032 Contact details: Tel.No.: +91 40 67162222 Fax number : +91 40 23420814 Email: einward.ris@kfintech.com Website: www.kfintech.com	24 B, Rajabahadur Mansion, Ground Floor, Amabalal Doshi Marg, Fort, Mumbai - 400 023. Tel: 022 66235454 Email : einward.ris@kfintech.com Website: www.kfintech.com

Correspondence for delisting can be made at the email id : hexaware.delisting@kfintech.com, Contact Person: Mr. M. Murali Krishna

13.8 Share Transfer system:

The trading in Equity Shares of the company on stock exchanges is disabled as the Company is delisted w.e.f. November 9, 2020. However off Market Trade can happen only in dematerialized form. Pursuant to Press Release 12/2019 dated May 27, 2019 of Securities and Exchange Board of India, the last date for transfer of shares in physical form was March 31, 2019. The Registrar and Share Transfer Agent usually approve transfer of shares every week.

13.9 Distribution of Shareholding:

As on December 31, 2020

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
1 – 500	51755	94.77	5418199	1.8
501 – 1000	1875	3.43	1374139	0.46
1001 – 2000	633	1.16	937012	0.31
2001 - 3000	104	0.19	261200	0.09
3001 - 4000	62	0.11	222261	0.07
4001 - 5000	33	0.06	153225	0.05
5001 - 10000	62	0.11	456806	0.15
10001 & above	89	0.16	291507613	97.06
TOTAL	54613	100.00	300330455	100.00

13.10 Categories of Shareholding (as on December 31, 2020):

Sr. No.	Category of Holder	No. of Shares	% of Equity
1.	Promoters Holdings	285,969,229	95.22
2.	Mutual funds/ UTI	3,840	00.00
3.	Banks/ Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	1,594	0.00
4.	FIIs/ FPI	366,521	00.12
5.	Others:		
	- Private Corporate Bodies	120,378	0.04
	- Indian Public	11,132,015	3.71
	- NRIs / Foreign Nationals / OCBs	2,733,906	0.91
	- Trust	480	0.00
	- NBFCs	450	0.00
	- Clearing Members	2,042	0.00
	Sub Total	13,989,271	4.66
	TOTAL	300,330,455	100.00

Pledge of Shares: The promoters have not pledged their shareholding in Hexaware as on December 31, 2020.

13.11 Dematerialisation of Shares and liquidity:

Procedure for dematerialisation of shares:

Shareholders seeking demat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder. 99.40 % of the issued capital of your Company has been dematerialised up to December 31, 2020.

Go Green initiative:

Pursuant to Section 101 of Companies Act, 2013 read with rules made thereunder, the Company is allowed to send documents such as the Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc. to the members in electronic form at the email address provided by the members and made available to the Company by the Depository/ Registrar & Share Transfer Agent (RTA). Shareholders are requested to register their e-mail id with RTA / Depository to enable the Company to send the documents in electronic form or inform the Company in case they wish to receive the above documents in paper mode.

13.12 Outstanding GDR / Warrants and Convertible bonds, conversion date and likely impact on the equity:

1. No outstanding GDRs as on December 31, 2020.
2. Warrants / Options:

   Total number of Restricted Stock Units outstanding under the ESOP 2008 and 2015 Schemes are 5,025,699. These RSU holders are entitled to get allotted one Equity Share of ₹ 2/- each at a exercise price of ₹ 2/-. The RSUs shall vest based on performance parameters as decided by the Committee.

   Assuming all the Options granted, under the ESOP Schemes of the Company, which, would vest, be exercised and converted into Equity shares of the Company, the total number of Equity shares would increase by 5,025,699 of ₹ 2/- each.

13.13 Commodity price risk or Foreign exchange risk and hedging activities:

The Company earns sizable revenue in foreign currency which exposes it to exchange rate fluctuation risks.

The Company monitors currency movements closely and follows a structured hedging program approved by the Board. The Company has systematic hedging policy approved by the Committee of Board and it has been effective in protecting the risk.

13.14 Plant Locations (Hexaware Technologies Limited, India):

Registered Office & Offshore Development Center	152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Offshore Development Center	1, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Offshore Development Center	Unit No. I, Block No.01, Q1, 9th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No. Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Offshore Development Center	Unit No. I, Block No.01, Q1, 6th and 7th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No. Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Offshore Development Center	Unit – 1, Ground Floor, 2nd Floor And Amenity Area of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Unit – 2, 1st Floor And Amenity Area of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Unit – 3, 3rd Floor of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Plot No.19, Rajiv Gandhi Infotech Park, Phase-III, MIDC-SEZ, Hinjewadi 411 057 (SEZ), Pune.	Pune
Offshore Development Center	SIPCOT IT Park, Navalur Post, Siruseri - 603 103.	Chennai
Offshore Development Center	11th Floor, Crescent – 2, Prestige Shanthiniketan ITPL Main Road, Bengaluru – 560 048.	Bengaluru
Hexaware BPS:	Bldg. No 3, Sector - II, Millennium Business Park, A Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Hexaware BPS:	157, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Hexaware BPS	Unit No.8, Block No.01, Q1, 8th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No. Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Hexaware BPS:	Unit No.2, Block No.01, Q1, 6th & 7th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No. Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Hexaware BPS:	A-703 & B704, 7th Floor, The Qube, Situated at C.T.S No. 1498 A/2 MV Road, Marol Andheri East, Mumbai – 400 059.	Mumbai
Hexaware BPS:	Lower Ground floor and Ground floor, South block, Phase III, Hinjewadi, Rajiv Gandhi Infotech Park, Pune 411 057.	Pune
Hexaware BPS:	Survey no (Part) 38, 39,41,42 and 43 in village Khapri & Dahegoan, MIHAN, SEZ - MADC, Nagpur - 441 108, Maharashtra.	Nagpur
Hexaware BPS:	IG-3 Infra Ltd – SEZ, Chennai – Module 5, IT Park, Pallavaram – Thoraipakkam, 200 Ft Rd., Thoraipakkam, Chennai – 600 097. Tamilnadu.	Chennai
Hexaware BPS:	IG-3 Infra Ltd – SEZ, Chennai – 1, Module 6, IT Park, Pallavaram – Thoraipakkam, 200 Ft Rd., Thoraipakkam, Chennai – 600 097. Tamilnadu.	Chennai
Hexaware BPS:	Prince Infocity II, 2nd floor, No.283/3A, 283/4A & 283 /4B, No.141, Kottivakkam Village, Kandanchavadi, Chennai - 600 096. Tamilnadu.	Chennai
Hexaware BPS:	A-3, Elysium Central, Puliyakulam Road, Ramanathapuram, Coimbatore - 641045. Tamilnadu.	Coimbatore

13.15 Company has not obtained any credit rating during the year 2019.

13.16 Transfer of unclaimed dividend to Investor Education and Protection Fund:

Pursuant to the provisions of Companies Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government under the provisions of the Companies Act. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date. A sum of ₹ 1,24,63,537/- has been transferred to the Investor Education and Protection Fund in the year 2020 towards unclaimed/ unpaid dividend for the year 2012 and 2013.

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on our website: www.hexaware.com

During the Year 91,307 Shares were transferred to IEPF Account with NSDL. The Company has set aside unclaimed and unpaid Dividend amount of shareholders in a separate bank account that could not be transferred to Investor Education and Protection Fund (IEPF) pursuant to restraining order of court or Tribunal or any other Statutory Authority pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Given below are the dates of declaration of dividend, corresponding last date for claiming unclaimed dividends and the same is due for transfer to IEPF on next day.

Date of declaration of dividend	Dividend for the year	Last date for Claiming unpaid Dividend
February 7, 2014 (Q4 Interim)	2013	March 15, 2021
April 25, 2014 (Final - 2013)	2013	May 31, 2021
April 29, 2014 (Q1 Interim - 2014)	2014	June 4, 2021
July 22, 2014 (Q2 Interim - 2014)	2014	August 27, 2021
Nov. 05, 2014 (Q3 Interim - 2014)	2014	December 11, 2021
February 10, 2015 (Q4 Interim - 2014)	2014	March 18, 2022
April 29, 2015 (Q1 Interim - 2015)	2015	June 4, 2022
August 4, 2015 (Q2 Interim - 2015)	2015	September 9, 2022
November 3, 2015 (Q3 Interim - 2015)	2015	December 9, 2022
February 3, 2016 (Q4 Interim - 2015)	2015	March 11, 2023
May 4, 2016 (Q1 Interim - 2016)	2016	June 10, 2023
July 28, 2016 (Q2 Interim- 2016)	2016	September 2, 2023
October 25, 2016 (Q3 Interim - 2016)	2016	November 30, 2023
February 7, 2017 (Q4 Interim - 2016)	2016	March 14, 2024
April 24, 2017 (Q1 Interim – 2017)	2017	May 29, 2024
July 31, 2017 (Q2 Interim – 2017)	2017	September 4, 2024
November 01, 2017 (Q3 Interim–2017)	2017	December 6, 2024
February 7, 2018 (Q4 Interim–2017)	2017	March 14, 2025
May 3, 2018 (Q1 Interim – 2018)	2018	June 7, 2025
July 24, 2018 (Q2 Interim – 2018)	2018	August 28, 2025
October 24, 2018 (Q3 Interim – 2018)	2018	November 28, 2025
January 30, 2019 (Q4 Interim – 2018)	2018	March 6, 2026
April 24, 2019 (Q1 Interim -2019)	2019	May 29, 2026
August 8, 2019 (Q2 Interim – 2019)	2019	September 12, 2026
October 23, 2019 (Q3 Interim – 2019)	2019	November 27, 2026
June 23, 2020 (1ST Interim 2020)	2020	July 29, 2027
July 4, 2020 (Final Dividend 2019)	2019	August 09, 2027
July 28, 2020 (2nd Interim 2020)	2020	September 02, 2027
February 11, 2021 (3rd Interim 2020)	2020	March 19, 2028

13.17 Investor Correspondence:

Shareholders can contact the following officials for secretarial matters of the Company:

Name	E-Mail ID	Telephone Number
Gunjan Methi, Company Secretary	Investori@hexaware.com	+ 91 22 6791 9595

Shareholders can contact the following Officials for financial matters:

Name	E-Mail ID	Telephone Number
Vikash Kumar Jain - Chief Financial Officer	Investori@hexaware.com	+ 91 22 6791 9595

Following is the address for correspondence with the Company:

Hexaware Technologies Limited
Building No. 152, Millennium Business Park, Sector III,
'A' Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
E-mail: Investori@hexaware.com

13.18 Website:

The Company's website www.hexaware.com contains a separate dedicated section "Investors" where information sought by shareholders is available. The Annual report of the Company, press releases, quarterly reports, transcript of the analyst call of the Company apart from the details about the Company, Board of Directors and Management, are also available on the website in a user-friendly manner.

14 Other Disclosures:

(a) There are no materially significant transactions with related parties i.e., with the Promoters, Directors, Management, subsidiaries or relatives that may have potential conflict of interest with the Company at large. All transactions with related parties are in compliance with the section 177 and 188 of the Companies Act, where applicable and details of such transactions have been disclosed in the annual financial statements as required by the applicable accounting standards.

(b) There has been no instance of non-compliance by the Company, no penalties or strictures being imposed on the Company by the Stock Exchanges or SEBI or any statutory authority or any matter related to capital market during the last three years except the one referred in secretarial audit report. except the one referred in secretarial audit report of 2019.

(c) The Company has framed a whistle blower policy. The policy enables the employees of the Company as well as of subsidiary companies, directors, contractors, contractor's employees, clients, vendors, internal or external auditors, regulatory agencies or other third parties, ex-employees of the Company etc., to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This policy is reviewed annually by the Audit Committee to check the effectiveness of the policy. No personnel have been denied access to the Audit Committee.

(d) The Company has also fulfilled the following requirements

(i) Auditors qualification: Nil

(ii) Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and CEO.

(iii) Reporting of Internal Auditor: The Internal auditors, PricewaterhouseCoopers Pvt. Ltd. report directly to the Audit Committee.

(e) The Company has formulated a policy for determining 'material' subsidiaries which has been put up on the website of the Company and available at the web link: http://hexaware.com/investors/

(f) The Company has formulated the policy on dealing with Related Party Transactions and has been put on its website and available at the link http://hexaware.com/investors/

(g) The Company is not involved in commodity price and commodity hedging activities.

(h) There is not any recommendation of any Committee which was not accepted by the Board.

(i) Total Fees paid/payable to Statutory Auditors:

	(₹ in million)
Audit Fees	₹ 9.73
Tax Audit Fees	₹ 1.20
Certification Fees	₹ 2.20
Total	₹ 13.13

15 The Company has complied with corporate governance requirements specified in regulation 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of SEBI Listing Regulations, as amended from time to time pursuant to the Listing Agreement of the Company with Stock Exchanges for the period January 1, 2020 till the date of delisting of the Company delisted from BSE Limited and National Stock Exchange of India Limited. Post delisting, the Company has voluntarily opted to comply with most of the listing regulations requirements.

16 The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is made in the Directors' Report.

17 The Company does not have demat suspense account.

For and on behalf of the Board

Place: Mumbai
Date: February 11, 2021

Rajeev Kumar Mehta
(Chairman)

Independent Auditors' Certificate on Compliance with Corporate Governance

To the Board of Directors of
Hexaware Technologies Limited

1 This certificate is issued in accordance with the terms of our engagement letter dated May 3, 2018 and addendum to the engagement letter dated March 2, 2021.

2 We have examined the compliance of conditions of Corporate Governance by Hexaware Technologies Limited ("the Company"), for the period January 1, 2020 till November 8, 2020 i.e. date of delisting of the Company from BSE Limited and National Stock Exchange of India Limited, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges for the said period.

Management's Responsibility

3 The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations and mentioned above is the responsibility of the Company's management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations as amended from time to time.

Auditors' Responsibility

4 Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5 It is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as mentioned above in paragraph 2.

6 We conducted our examination of the above Corporate Governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (referred to as "the Guidance Note") and Guidance Note on Certification of Corporate Governance, both issued by the Institute of the Chartered Accountants of India ("ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8 In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned paragraph 2 of this certificate.

9 We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10 The certificate is addressed and provided to the Board of Directors of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, to the extent voluntarily opted by the management, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

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

Glenn D'souza
Partner
Membership No: 112554
ICAI UDIN: 21112554AAAABB7714

Jaipur
March 28, 2021

CEO and CFO Certification

We hereby certify that:-

A. We have reviewed financial statements and the cash flow statement for the quarter and year ended December 31, 2020 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter/year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:

   1. significant changes in internal control over financial reporting during the quarter/year;

   2. significant changes in accounting policies during the quarter/year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mr. R Srikrishna
CEO & Executive Director

Mr. Vikash Kumar Jain
Chief Financial Officer

Date: February 11, 2021

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company at www.hexaware.com.

As Chief Executive Officer and Executive Director of Hexaware Technologies Limited, I hereby declare that all the Board members and senior management personnel of the Company as identified by the Company considering the requirements in this respect, have affirmed compliance with the Code of Conduct for the financial year 2020.

Place: Mumbai

Date: February 11, 2021

R Srikrishna

CEO & Executive Director

Independent Auditor's Report

To the Members of
Hexaware Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hexaware Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries listed in Annexure 1 (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on the separate financial statements of such subsidiary companies as were audited by other auditors, and unaudited financial information of certain subsidiaries and an associate as provided by management, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate as at 31 December 2020, and of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the Other Information.

The Other Information comprises the information included in the Holding Company's board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective management and Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the Holding Company and subsidiary company incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls based on our audit;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors of the Holding Company;
- conclude on the appropriateness of management's and Board of Directors of the Holding Company's use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group (Holding Company and subsidiaries) as well as associate to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) We did not audit the financial statements of sixteen subsidiaries (including step-down subsidiaries), whose financial statements reflect total assets (before consolidation adjustments) of ₹ 12,745.75 million as at 31 December 2020, total revenues (before consolidation adjustments) of ₹ 18,932.40 million and net cash outflows (excluding restricted bank) balances) amounting to ₹ 3,946.67 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted by the Holding Company and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.

(b) The financial information of two subsidiaries whose financial information reflect total assets (before consolidation adjustments) of ₹ 0.05 million as at 31 December 2020, total revenues (before consolidation adjustments) of ₹ Nil and net cash inflows amounting to ₹ 0.02 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors.

The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 6.70 million for the year ended 31 December 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us or by other auditors.

These unaudited financial information has been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and unaudited financial information of certain subsidiaries and an associate as certified by the Management of the Holding Company, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) in our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 December 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Holding Company and subsidiary company incorporated in India is disqualified as on 31 December 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act; and

(f) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries audited by them and unaudited financial information of certain subsidiaries and an associate as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 December 2020 on the consolidated financial position of the Group and its associate - refer Note 29 to the consolidated financial statements;

ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - refer Note 30 to the consolidated financial statements; and

iii. there has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 December 2020.

3. With respect to the matter to be included in the Auditor's report under sub-section (16) of Section 197:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid / payable during the current year by the Holding Company and the subsidiary company incorporated in India to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

The remuneration paid / payable to any director by the Holding Company and the subsidiary company incorporated in India 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 sub-section (16) of Section 197 which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No: 103145
ICAI UDIN: 21103145AAAABG1833

Mumbai
12 February 2021

Annexure I

List of entities consolidated

Sr No.	Name of the Entity	Country of Incorporation
	Subsidiaries	
1	Hexaware Technologies Inc.	United States of America
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
3	Hexaware Technologies UK Limited	United Kingdom
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore
5	Hexaware Technologies GmbH.	Germany
6	Hexaware Technologies Canada Limited	Canada
7	Guangzhou Hexaware Information Technologies Company Limited (closed on 31 August 2020)	China
8	Hexaware Technologies LLC	Russia
9	Hexaware Technologies Saudi LLC	Saudi Arabia
10	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd)	Romania
11	Hexaware Technologies Hong Kong Limited	China
12	Hexaware Technologies Nordic AB	Sweden
13	Hexaware Information Technologies (Shanghai) Company Limited	China
14	Mobiquity Inc (Subsidiary of Hexaware Technologies Inc., Acquired on 13 June 2019)	United States of America
15	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	United States of America
16	Mobiquity Velocity Cooperative UA ((Subsidiary of Mobiquity Inc.)	Netherlands
17	Mobiquity BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherlands
18	Morgan Clark BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherlands
19	Mobiquity Softech Private Limited (Subsidiary of Hexaware Technologies Limited, Acquired on 13 June 2019)	India
20	Montana Merger Sub Inc. (Formed on 7 June 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc. on 13 June 2019)	United States of America
21	Hexaware Technologies South Africa (Pty) Ltd (formed on 25 November 2019, Subsidiary of Hexaware Technologies UK Ltd)	South Africa
	Associate	
1	Experis Technology Solutions Pte. Ltd. (20% ownership interest by Hexaware Technologies Asia Pacific Pte Limited) (upto 8 December 2020)	Singapore

Annexure A to the Independent Auditor's Report

on the consolidated financial statements of Hexaware Technologies Limited for the year ended 31 December 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Group including its associate as of and for the year ended 31 December 2020, we have audited the internal financial controls with reference to consolidated financial statements of Hexaware Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India under the Companies Act, 2013.

In our opinion and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary incorporated in India, the Holding Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 December 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (SAs), prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company incorporated in India in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Other Matter

Our aforesaid report under clause (i) of sub-section (3) of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to its subsidiary company incorporated in India and not audited by us, is based on the corresponding report of the other auditors of such subsidiary company.

Our opinion is not modified in respect of this matter.

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

Rajesh Mehra
Partner
Membership No: 103145
ICAI UDIN: 21103145AAAABG1833

Mumbai
12 February 2021

Consolidated Balance Sheet

₹ million

	Note	As at December 31, 2020	As at December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,214.99	6,068.90
Capital work-in-progress		102.43	863.32
Right of use assets	3.1	4,327.61	-
Goodwill	6	12,044.04	11,760.88
Other intangible assets	7	2,191.48	2,545.64
Financial assets			
- Investments	8A	4.58	29.99
- Loans - Security deposits	9A	400.16	412.00
- Other financial assets	10A	295.48	113.37
Deferred tax assets (net)	11	1,926.77	1,437.20
Income tax asset (net)		538.68	380.14
Other non-current assets	12A	197.24	823.91
Total non-current assets		**28,243.46**	**24,435.35**
Current assets			
Financial assets			
- Trade receivables	13	8,140.00	9,795.61
- Unbilled revenue		3,244.95	3,535.47
- Cash and cash equivalents	14A	10,114.45	2,316.43
- Other Bank Balances	14B	147.27	149.11
- Loans - Security deposits	9B	39.91	7.66
- Other financial assets	10B	266.42	244.20
Income tax assets (net)		118.31	131.95
Other current assets	12B	1,062.47	1,071.62
Total current assets		**23,133.78**	**17,252.05**
Total assets		**51,377.24**	**41,687.40**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	600.66	596.77
Other Equity		31,757.83	27,057.86
Total equity		**32,358.49**	**27,654.63**
Non-current liabilities			
Financial Liabilities			
- Borrowings (secured)	32	1,461.40	1,429.46
- Lease liabilities	3.1	3,571.78	-
- Other financial liabilities	16A	41.82	44.82
Other non current liabilities	18A	481.23	-
Provisions - Employee benefit obligations in respect of Gratuity and others		907.67	538.20
Total non-current liabilities		**6,463.90**	**2,012.48**
Current liabilities			
Financial Liabilities			
- Borrowings (secured)	32	438.42	1.27
- Lease liabilities	3.1	455.62	-
- Trade payables			
(i) Dues of micro enterprises and small enterprises		6.23	13.34
(ii) Dues of other than micro enterprises and small enterprises	17	4,209.44	3,826.01
- Other financial liabilities	16B	3,308.39	6,207.82
Other current liabilities	18B	1,727.25	955.93
Provisions			
- Employee benefit obligations in respect of compensated absences and others		1,240.93	824.76
Income tax liabilities (net)		1,168.57	191.16
Total current liabilities		**12,554.85**	**12,020.29**
Total liabilities		**19,018.75**	**14,032.77**
Total equity and liabilities		**51,377.24**	**41,687.40**

The accompanying notes 1 to 35 form an integral part of the consolidated 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra
Partner
Membership number: 103145

Rajeev Kumar Mehta
(Chairman)
(DIN-08897689)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN 03160121)

Milind Sarwate
(Director)
(DIN-00109854)

Atul K Nishar
(Chairman Emeritus)
(DIN-00307229)

Place: Mumbai
Date: 12 February 2021

Madhu Khatri
(Director)
(DIN-00480442)

P R Chandrasekar
(Director)
(DIN-02251080)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Consolidated Statement of Profit and Loss

₹ million, except EPS

	Note	For the year ended December 31, 2020	For the year ended December 31, 2019
INCOME			
Revenue from operations	19	62,620.80	55,825.18
Exchange rate difference (net)		267.36	192.71
Other income	20	78.73	89.38
Total income		**62,966.89**	**56,107.27**
EXPENSES			
Employee benefits expense	21	36,950.11	30,279.28
Finance costs	23	492.35	74.02
Depreciation and amortisation expense	3.1, 5, 7	2,323.89	1,033.53
Operation and other expenses	22	15,202.25	16,763.63
Total expenses		**54,968.60**	**48,150.46**
Profit before share in profit of associate, exceptional item and tax		7,998.29	7,956.81
Share in profit of associate (Net of tax)		6.70	4.10
Profit before exceptional item and tax		8,004.99	7,960.91
Exceptional item - Acquisition related costs		-	168.24
Profit before tax		8,004.99	7,792.67
Tax expense			
- Current	11.2	2,207.29	1,538.49
- Deferred tax charge/(credit)		(417.30)	(159.25)
Total tax expense		**1,789.99**	**1,379.24**
Profit for the year		**6,215.00**	**6,413.43**
Other comprehensive income (OCI):			
i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		(133.87)	(181.96)
- Income tax relating to items that will not be reclassified to profit or loss		48.08	34.13
ii) Items that will be reclassified to profit or loss			
- Net change in fair value of cash flow hedges		102.95	201.63
- Exchange differences in translating the financial statements of foreign operations		348.90	277.99
- Income tax relating to items that will be reclassified to profit or loss		(94.72)	39.28
Total other comprehensive income / (loss)		**271.34**	**371.07**
Total comprehensive income / (loss) for the year		**6,486.34**	**6,784.50**
Earnings per share (EPS) (In Rupees)			
Basic	24	20.77	21.52
Diluted		20.49	21.24

The accompanying notes 1 to 35 form an integral part of the consolidated 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra
Partner
Membership number: 103145

Rajeev Kumar Mehta
(Chairman)
(DIN-08897689)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN 03160121)

Milind Sarwate
(Director)
(DIN-00109854)

Atul K Nishar
(Chairman Emeritus)
(DIN-00307229)

Place: Mumbai
Date: 12 February 2021

Madhu Khatri
(Director)
(DIN-00480442)

P R Chandrasekar
(Director)
(DIN-02251080)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Consolidated Statement of Changes in Equity

A. Equity Share Capital

₹ million

	As at December 31, 2020	As at December 31, 2019
Outstanding at the beginning of the Year	596.77	594.72
Issued during the year	3.89	2.05
Outstanding at the end of the year (Refer note 15)	600.66	596.77

B. Other Equity

₹ million

	Share application money pending allotment	Reserves and Surplus							Other comprehensive		Total
		Securities premium	Capital reserve	Capital redemption reserve	SEZ Re-investment reserve	Share option outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Cashflow hedge reserve (CFHR)	
Balances as at December 31, 2019	-	3,846.22	2.88	11.39	-	807.77	2,144.05	18,239.72	1,779.77	226.06	27,057.86
Transition adjustment (Refer note 3.1)	-	-	-	-	-	-	-	(241.71)	-	-	(241.71)
Balances as at January 1, 2020	-	3,846.22	2.88	11.39	-	807.77	2,144.05	17,998.01	1,779.77	226.06	26,816.15
Profit for the year	-	-	-	-	-	-	-	6,215.00	-	-	6,215.00
Other comprehensive income / (loss) (net of tax)	-	-	-	-	-	-	-	(85.79)	348.90	8.23	271.34
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	6,129.21	348.90	8.23	6,486.34
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	(2,092.34)	-	-	(2,092.34)
Tax benefit on share based compensation	-	-	-	-	-	-	-	86.55	-	-	86.55
Transfer to SEZ Re-investment reserve	-	-	-	-	638.45	-	-	(638.45)	-	-	-
Transfer from SEZ Re-investment reserve					(258.25)			258.25			-
Received / transferred on exercise of stock options	0.04	444.21	-	-	-	(444.21)	-	-	-	-	0.04
Compensation related to employee share based payments	-	-	-	-	-	461.09	-	-	-	-	461.09
As at December 31, 2020	0.04	4,290.43	2.88	11.39	380.20	824.65	2,144.05	21,741.23	2,128.67	234.29	31,757.83
Balances as at January 1, 2019	0.42	3,635.69	2.88	11.39	476.45	991.75	2,144.05	14,574.38	1,501.78	(14.86)	23,323.93
Profit for the year	-	-	-	-	-	-	-	6,413.43	-	-	6,413.43
Other comprehensive income / (loss) (net of tax)	-	-	-	-	-	-	-	(147.83)	277.99	240.92	371.08
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	6,265.60	277.99	240.92	6,784.51
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	(3,054.31)	-	-	(3,054.31)

Consolidated Statement of Changes in Equity

₹ million

	Share application money pending allotment	Reserves and Surplus							Other comprehensive		Total
		Securities premium	Capital reserve	Capital redemption reserve	SEZ Re-investment reserve	Share option outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Cashflow hedge reserve (CFHR)	
Tax benefit on share based compensation	-	-	-	-	-	-	-	(22.40)	-	-	(22.40)
Transfer to SEZ Re-investment reserve	-	-	-	-	397.64	-	-	(397.64)	-	-	-
Transfer from SEZ Re-investment reserve	-	-	-	-	(874.09)	-	-	874.09	-	-	-
Received / transferred on exercise of stock options	(0.42)	210.53	-	-	-	(210.53)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	-	26.55	-	-	-	-	26.55
As at December 31, 2019	-	3,846.22	2.88	11.39	-	807.77	2,144.05	18,239.72	1,779.77	226.06	27,057.86

Description of component of Other equity

a) Securities premium is used to record the premium received on issue of shares to be utilised in accordance with the provisions of the Companies Act, 2013.

b) Capital reserve represent reserve on amalgamation.

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

d) 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.

e) 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 represents appropriation of profits by the Company.

g) Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 35 form an integral part of the consolidated 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra
Partner
Membership number: 103145

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Place: Mumbai
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(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Consolidated Statement of Cash Flows

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash Flow from operating activities		
Net Profit before tax	8,004.99	7,792.67
Adjustments for:		
Depreciation and amortisation expense	2,323.89	1,033.53
Employee stock option compensation cost	461.16	26.55
Interest income	(60.26)	(73.81)
Allowance for doubtful accounts (net of write back)	181.43	28.07
Debts and advances written off	38.36	38.55
Dividend from investments	(0.58)	(2.93)
Profit on sale of property, plant and equipment (PPE) (net)	(4.59)	1.75
Exchange rate difference (net) - unrealised	(7.68)	(101.59)
Finance costs	492.35	74.02
Other income	(4.21)	-
Share in profit of associate	(6.70)	(4.10)
Operating profit before working capital changes	11,418.16	8,812.71
Adjustments for:		
Trade receivables and other assets	2,523.19	(1,609.58)
Trade payables, other liabilities and provisions	1,883.27	334.66
Cash generated from operations	15,824.61	7,537.79
Direct taxes paid (net)	(1,447.17)	(1,573.95)
Net cash from operating activities	14,377.44	5,963.84
Cash flow from investing activities		
Purchase of PPE and intangibles assets including CWIP and capital advances	(736.15)	(1,296.25)
Proceeds from sale of property, plant and equipment	11.12	(0.09)
Purchase of investments	(300.57)	(1,115.43)
Proceeds from sale/ redemption of investments	328.66	1,216.71
Payment for acquisition of business	(3,588.98)	(8,859.18)
Dividend from investments	0.58	2.93
Interest received	59.88	74.61
Net cash used in investing activities	(4,225.46)	(9,976.70)
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	3.93	1.63
Payment of lease liabilities	(679.22)	-
Proceeds from short term borrowing (net)	511.89	1.27
Proceeds from long term borrowing	-	1,410.53
Interest paid	(160.59)	(47.82)
Dividend paid (including corporate dividend tax)	(2,092.34)	(3,054.31)
Net cash from / (used in) financing activities	(2,416.33)	(1,688.70)
Net increase / (decrease) in cash and cash equivalents	7,735.65	(5,701.56)
Cash and cash equivalents at the beginning of the year	2,316.43	8,050.55
Unrealised loss / (gain) on foreign currency cash and cash equivalents	62.37	(32.56)
Cash and cash equivalents as per Consolidated Balance Sheet (Refer Note 14A)	10,114.45	2,316.43
Non Cash transaction:		
Liabilities towards deferred consideration	142.18	3,490.46

Consolidated Statement of Cash Flows

Reconciliation of Borrowings

Particulars	For the year ended December 31, 2020		For the year ended December 31, 2019	
	Long Term	Short Term	Long Term	Short Term
Opening Balance	1,429.46	1.27	-	-
Borrowing made during the year	-	5,246.95	1,383.33	1.27
Borrowing repaid during the year	-	(4,735.06)	-	-
Adjustment on account of currency translation	31.94	(74.74)	46.13	-
Closing Balance	1,461.40	438.42	1,429.46	1.27

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

The accompanying notes 1 to 35 form an integral part of the consolidated 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra
Partner
Membership number: 103145

Rajeev Kumar Mehta
(Chairman)
(DIN-08897689)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN 03160121)

Milind Sarwate
(Director)
(DIN-00109854)

Atul K Nishar
(Chairman Emeritus)
(DIN-00307229)

Place: Mumbai
Date: 12 February 2021

Madhu Khatri
(Director)
(DIN-00480442)

P R Chandrasekar
(Director)
(DIN-02251080)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Notes to the Consolidated Financial Statements

1 Corporate Information

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

2 Significant Accounting Policies

2.1 Statement of compliance

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

2.2 Basis of Preparation

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

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company

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

2.3 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The financial statement of the Group are consolidated on line-by-line basis by adding together like items after eliminating intra group transactions and unrealised gain/loss from such transaction. These financial statements are prepared by applying uniform accounting policies used in Group.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(ii) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the acquisition date.

2.4 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.

Notes to the Consolidated Financial Statements

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

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

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

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

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

(ii) Income-tax

The major tax jurisdiction for the Group is India and United States of America, though the Group also files tax returns in other 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 asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit (CGU) to which goodwill 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.

(iv) Leases

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to the Consolidated Financial Statements

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.

(v) Others

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

2.5 Business Combinations

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

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

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests proportionate 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.

2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of a business (see note 2.5 above) less accumulated impairment losses, if any.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.7 Revenue Recognition

Effective January 1, 2019, the group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

In case of contract on time and material basis, transaction-based or volume-based contracts, revenue is recognised when the related services are performed.

In case of fixed price contracts, revenue is recognised using percentage of completion method. The Group uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated. Amount received or billed in advance of services performed are recorded as unearned revenue (Contract liability). Unbilled receivables (Contract assets) represents revenue recognised based on services performed in advance of billing in accordance with contract terms.

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

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

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

2.8 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.

a) 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 Group 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 recognised as an rent expense on a straight-line basis over the lease term

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

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

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

b) As a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset

Notes to the Consolidated Financial Statements

arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

Refer note 3.1 for impact of transition to Ind AS 116.

2.9 Functional and presentation currency

Foreign currency

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

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

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.10 Borrowing Cost

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

2.11 Employee Benefits

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

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

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognised in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

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

2.12 Share based compensation

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

Notes to the Consolidated Financial Statements

2.13 Taxes on Income

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

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

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

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

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

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

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

2.14 Property, plant and equipment (PPE)

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

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined based on the expert technical advice / stipulation of Schedule II of the Act:

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

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

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

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

2.15 Intangible assets

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

Notes to the Consolidated Financial Statements

table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years
Brand	2 years
Customer contracts / relationships	5-7 years

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

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

2.16 Impairment

a) Financial assets (other than at fair value)

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial Instrument" requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losse if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

(i) Goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(ii) Tangible and Intangible assets

At the end of each reporting period, the Group 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 (i.e.higher of the fair value less cost to sale and the value in use). When it is not possible to estimate the recoverable amount of an individual asset, the Group 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 recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.17 Provisions

Provisions are recognised when the Group 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 group 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.

2.18 Non derivative financial instruments

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

a) Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

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

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

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

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

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

(iv) Cash and cash equivalents

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

(v) Financial liabilities

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

b) Share capital

Equity shares

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

2.19 Derivative financial instruments and hedge accounting

The Group enters into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. These instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Group at the inception documents and designates these instruments as cash flow hedges. Accordingly, the Group records the cumulative gain or loss arising from change in fair values on effective cash flow hedges in the cash flow hedge reserve within the other comprehensive income until the forecasted transaction occurs. Gain or loss arising from change in fair values of component excluded from the assessment of hedge effectiveness as well as the ineffective portion of the designated hedges and derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit or loss.

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

2.20 Earnings per share ('EPS')

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

Notes to the Consolidated Financial Statements

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

3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2021.

3.1 Leases

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 Group 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 Group has not restated comparative information, instead, the cumulative effect of initially applying this Standard has been recognised as an adjustment to the opening balance of retained earnings as on January 1, 2020.

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

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

On account of the aforesaid change, the Operations and other expenses is lower by ₹ 737.57 million, Depreciation and amortisation is higher by ₹ 637.04 million and Finance costs is higher by ₹ 280.16 million for the year ended December 31, 2020.

Further, as at January 1, 2020 a right-of-use asset of ₹ 4,045.09 million and a corresponding lease liability of ₹ 3,790.39 million has been recognised. In respect of leases that were classified as finance leases applying Ind AS 17, an net amount of ₹ 251.42 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 aggregating to ₹ 518.55 million and an amount of ₹ 46.49 million in other current financial liabilities has been adjusted against right-of-use asset. The cumulative effect on transition in retained earnings is ₹ 241.71 million (net of deferred tax of ₹ 54.52 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 7.5% 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.

Notes to the Consolidated Financial Statements

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

	Office premises*	Leasehold Land	Vehicle	Total
COST				
At January 1, 2020	3,726.51	518.55	51.44	4,296.50
Additions	518.77	-	-	518.77
Remeasurement	80.29	-	-	80.29
Translation exchange difference	40.34	-	17.59	57.94
At December 31, 2020	4,365.92	518.55	69.03	4,953.50
ACCUMULATED AMORTISATION				
At January 1, 2020	-	-	-	-
Charge for the year	608.04	6.20	24.17	638.41
Remeasurement	(14.96)	-	-	(14.96)
Translation exchange difference	1.46	-	0.98	2.45
At December 31, 2020	594.54	6.20	25.15	625.89
NET CARRYING AMOUNT				
At December 31, 2020	3,771.38	512.35	43.88	4,327.61

*Balance reclassified from ROU of building

The Company incurred ₹ 74.55 million for the year ended December 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year ended December 31, 2019 is ₹ 617.86 million.

The maturity analysis of lease liabilities for the year ended December 31, 2020 is covered under note 26.3. The future minimum lease payments and payment profile of the non-cancellable operating leases for the year ended December 31, 2019 is as follows:

₹ million

Particulars	As at December 31, 2019
Not later than one year	649.09
Later than one year and not later than five years	2,100.84
Later than 5 years	1,004.53
Total	3,754.47

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 were effective from the annual periods beginning January 1, 2020. The Group has taken appropriate impact due to this amendment in these consolidated financial statements.

Notes to the Consolidated Financial Statements

4 Entities to consolidation

The consolidated financial statements present the consolidated accounts of Hexaware Technologies Limited with the following wholly owned subsidiaries and associate accounts drawn upto the same reporting date as that of the Company.

For the year ended December 31, 2020

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	₹ million	% of Consolidated	₹ million	% of Consolidated	₹ million	% of Consolidated	₹ million
1	Hexaware Technologies Limited (Parent)	India	70.53%	23,191.57	83.39%	5,182.40	100.00%	492.35	84.60%	5,674.75
	Wholly owned subsidiaries									
1	Hexaware Technologies Inc.	USA	17.24%	5,669.45	7.85%	488.15	-	-	7.28%	488.15
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	1.73%	569.11	1.28%	79.45	-	-	1.18%	79.45
3	Hexaware Technologies UK Ltd	UK	2.17%	714.68	3.40%	211.01	-	-	3.15%	211.01
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	1.66%	544.69	1.01%	62.82	-	-	0.94%	62.82
5	Hexaware Technologies GmbH	Germany	1.23%	404.54	0.24%	14.88	-	-	0.22%	14.88
6	Hexaware Technologies Canada Limited	Canada	0.58%	189.87	0.73%	45.18	-	-	0.67%	45.18
7	Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil	0.00%	-	0.00%	-	-	-	0.00%	-
8	Guangzhou Hexaware Information Technologies Company Limited	China	0.00%	-	0.00%	(0.23)	-	-	0.00%	(0.23)
9	Hexaware Technologies LLC	Russia	0.06%	21.19	(0.24%)	(14.62)	-	-	(0.22%)	(14.62)
10	Hexaware Technologies Saudi LLC	Saudi Arabia	0.01%	2.60	0.03%	1.64	-	-	0.02%	1.64
11	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd.)	Romania	(0.44%)	(143.19)	(0.31%)	(18.99)	-	-	(0.28%)	(18.99)
12	Hexaware Technologies Hong Kong Limited	Hong Kong	0.22%	71.33	0.06%	4.02	-	-	0.06%	4.02
13	Hexaware Technologies Nordic AB	Sweden	(0.08%)	(27.58)	0.11%	6.88	-	-	0.10%	6.88
14	Shanghai Hexaware Information Technologies Company Limited	China	0.01%	2.30	(0.07%)	(4.54)	-	-	(0.07%)	(4.54)
15	Mobiquity Inc (Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Inc.)	USA	2.32%	761.66	1.17%	72.99	-	-	1.09%	72.99
16	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	USA	(0.88%)	(288.96)	0.00%	(0.01)	-	-	0.00%	(0.01)
17	Mobiquity Velocity Cooperative UA ((Subsidiary of Mobiquity Inc.)	Netherland	0.00%	-	0.00%	-	-	-	0.00%	-
18	Mobiquity BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	3.41%	1,120.74	0.26%	15.88	-	-	0.24%	15.88
19	Morgan Clark BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	(0.83%)	(274.17)	0.17%	10.41	-	-	0.16%	10.41
20	Mobiquity Softech Private Limited (Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Limited)	India	1.05%	345.05	0.82%	51.07	-	-	0.76%	51.07
21	Montana Merger Sub Inc. (Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019)	USA	0.00%	-	0.00%	-	-	-	0.00%	-
22	Hexaware Technologies South Africa (Pty) Ltd (formed on November 25, 2019, Subsidiary of Hexaware Technologies UK Ltd)	South Africa	0.02%	5.90	0.00%	(0.09)	-	-	0.00%	(0.09)
	Associate									
1	Experis Technology Solutions Pte. Ltd. (20% ownership interest by Hexaware Technologies Asia Pacific Pte Limited)	Singapore	0.00%	-	0.11%	6.70	-	-	0.10%	6.70
	Total		100.00%	32,880.79	100.00%	6,215.00	100.00%	492.35	100.00%	6,707.35

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	₹ million	% of Consolidated	₹ million	% of Consolidated	₹ million	% of Consolidated	₹ million
1	Hexaware Technologies Limited (Parent)	India	77.45%	21,289.15	76.17%	4,886.06	100.00%	74.02	76.44%	4,960.08
	Wholly owned subsidiaries									
1	Hexaware Technologies Inc.	USA	13.67%	3,757.91	14.69%	942.61	-	-	14.53%	942.61
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	0.56%	152.62	0.81%	51.70	-	-	0.80%	51.70
3	Hexaware Technologies UK Ltd	UK	3.42%	940.52	0.51%	32.68	-	-	0.50%	32.68
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	0.84%	231.02	1.48%	94.69	-	-	1.46%	94.69
5	Hexaware Technologies GmbH	Germany	0.42%	115.12	0.33%	21.01	-	-	0.32%	21.01
6	Hexaware Technologies Canada Limited	Canada	(0.03%)	(8.42)	0.51%	32.66	-	-	0.50%	32.66
7	Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil	0.00%	-	0.00%	-	-	-	0.00%	-
8	Guangzhou Hexaware Information Technologies Company Limited	China	0.00%	0.22	(0.03%)	(2.16)	-	-	(0.03%)	(2.16)
9	Hexaware Technologies LLC	Russia	0.15%	41.55	0.06%	3.67	-	-	0.06%	3.67
10	Hexaware Technologies Saudi LLC	Saudi Arabia	0.12%	32.43	0.04%	2.58	-	-	0.04%	2.58
11	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd.)	Romania	0.06%	17.36	(0.44%)	(28.35)	-	-	(0.44%)	(28.35)
12	Hexaware Technologies Hong Kong Limited	Hong Kong	0.22%	59.84	0.57%	36.81	-	-	0.57%	36.81
13	Hexaware Technologies Nordic AB	Sweden	0.06%	15.25	(0.50%)	(31.81)	-	-	(0.49%)	(31.81)
14	Shanghai Hexaware Information Technologies Company Limited	China	0.00%	1.18	(0.06%)	(3.64)	-	-	(0.06%)	(3.64)
15	Mobiquity Inc (Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Inc.)	USA	1.53%	420.24	3.91%	250.52	-	-	3.86%	250.52
16	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	USA	0.00%	0.13	0.00%	-	-	-	0.00%	-
17	Mobiquity Velocity Cooperative UA ((Subsidiary of Mobiquity Inc.)	Netherland	0.00%	-	0.00%	-	-	-	0.00%	-
18	Mobiquity BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	1.34%	368.39	3.71%	237.95	-	-	3.67%	237.95
19	Morgan Clark BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	(0.14%)	(38.93)	(2.17%)	(139.35)	-	-	(2.15%)	(139.35)
20	Mobiquity Softech Private Limited (Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Limited)	India	0.24%	66.62	0.36%	23.22	-	-	0.36%	23.22
21	Montana Merger Sub Inc. (Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019)	USA	0.00%	-	0.00%	-	-	-	0.00%	-
22	Hexaware Technologies South Africa (Pty) Ltd (formed on November 25, 2019, Subsidiary of Hexaware Technologies UK Ltd)	South Africa	0.00%	-	0.00%	-	-	-	0.00%	-
	Associate									
1	Experis Technology Solutions Pte. Ltd. (20% ownership interest by Hexaware Technologies Asia Pacific Pte Limited)	Singapore	0.09%	25.40	0.06%	4.10	-	-	0.06%	4.10
	Total		100.00%	27,487.60	100.00%	6,414.95	100.00%	74.02	100.00%	6,488.97

Notes to the Consolidated Financial Statements

5. Property, Plant and Equipment (PPE)

PPE consist of the following:

₹ million

	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total (A)	Capital Work in Progress (B)	Total (A+B)
COST										
At December 31, 2019	0.15	3,913.49	3,219.63	1,216.50	20.55	1,921.17	235.75	10,527.24	863.32	11,390.56
Reclassified to ROU	-	(345.47)	-	-	-	-	-	(345.47)	-	-
At January 1, 2020	0.15	3,568.02	3,219.63	1,216.50	20.55	1,921.17	235.75	10,181.77	863.32	11,390.56
Additions	-	662.12	371.12	51.76	-	190.02	80.69	1,355.71	221.11	1,576.82
Disposals / adjustments	-	-	(145.48)	(22.03)	-	(2.43)	(3.47)	(173.41)	(982.00)	(1,155.40)
Translation exchange difference	-	-	9.79	3.09	0.05	1.97	5.87	20.77	-	20.76
As at December 31, 2020	0.15	4,230.14	3,455.06	1,249.32	20.60	2,110.73	318.84	11,384.84	102.43	11,832.74
ACCUMULATED DEPRECIATION										
At December 31, 2019	-	420.93	2,144.75	633.25	15.94	1,091.41	152.06	4,458.34	-	-
Reclassified to ROU	-	(94.05)	-	-	-	-	-	(94.05)		
At January 1, 2020	-	326.88	2,144.75	633.25	15.94	1,091.41	152.06	4,364.29	-	-
Charge for the year	-	89.60	449.49	98.65	1.88	269.72	52.73	962.07	-	-
Disposals / adjustments	-	(0.51)	(146.74)	(2.18)	-	(13.94)	(3.17)	(166.54)	-	-
Translation exchange difference	-	-	4.86	1.58	0.05	1.14	2.40	10.03	-	-
As at December 31, 2020	-	415.97	2,452.36	731.30	17.87	1,348.33	204.02	5,169.85	-	-
NET CARRYING AMOUNT										
As at December 31, 2020	0.15	3,814.17	1,002.70	518.02	2.73	762.40	114.82	6,214.99	102.43	11,832.74
COST										
At January 1, 2019	0.15	3,030.10	2,423.76	785.97	18.87	1,293.50	152.00	7,704.35	2,244.43	9,948.78
Additions	-	886.26	793.01	420.04	2.57	609.50	60.97	2,772.35	408.58	3,180.93
Additions on acquisition	-	-	87.08	21.58	-	18.69	16.19	143.54	-	143.54
Disposals	-	(2.87)	(102.96)	(15.03)	(0.93)	(4.43)	-	(126.22)	(1,789.69)	(1,915.91)
Translation exchange difference	-	-	18.74	3.94	0.04	3.91	6.59	33.22	-	33.22
At December 31, 2019	0.15	3,913.49	3,219.63	1,216.50	20.55	1,921.17	235.75	10,527.24	863.32	11,390.56
ACCUMULATED DEPRECIATION										
At January 1, 2019	-	363.57	1,885.10	554.53	14.00	945.05	114.25	3,876.50	-	-
Charge for the year	-	57.78	337.38	91.11	2.83	147.77	32.99	669.86	-	-
Disposals	-	(0.42)	(92.03)	(15.03)	(0.93)	(3.97)	-	(112.38)	-	-
Translation exchange difference	-	-	14.30	2.64	0.04	2.56	4.82	24.36	-	-
At December 31, 2019	-	420.93	2,144.75	633.25	15.94	1,091.41	152.06	4,458.34	-	-
NET CARRYING AMOUNT										
At December 31, 2019	0.15	3,492.56	1,074.88	583.25	4.61	829.76	83.69	6,068.90	863.32	11,390.56

Note:

i) Plant and machinery includes computer systems

6. Goodwill

a. Business combination

The Group on June 13, 2019 acquired 100% equity in Mobiquity Inc. and its subsidiaries (together referred to as Mobiquity).

The business combination was conducted by entering into Agreement and Plan of Merger to acquire equity interest in Mobiquity Inc. Further, Company entered into Share Transfer Agreement to acquire equity interest in Mobiquity Softech Private Limited, a subsidiary in India.

Mobiquity Inc. is headquartered in the US, and with a global presence across 3 continents, Mobiquity is a customer experience consulting firm that specialises in creating frictionless multi-channel digital experiences using cloud technologies.

The Company is expected to leverage Mobiquity's capability in customer experience transformation and cloudification. Further the Company is expected to benefit from Mobiquity's customer base in multiple vertical including Banking & Financial services and Healthcare & Insurance verticals.

Notes to the Consolidated Financial Statements

6. Goodwill (Contd.)

Purchase price has been allocated as set out below, to the assets acquired and liabilities assumed in the business combination.

Component	₹ million
Property plant and equipment	143.54
Cash and cash equivalents	375.14
Trade and other receivables	989.44
Other assets	173.97
Other liabilities	(649.03)
Intangible assets- Customer relationships	2,361.23
Intangible assets- Brand	154.72
Deferred tax liability	(517.80)
Fair value of net assets as on the date of acquisition	3,031.21
Purchase Consideration	12,612.98
Goodwill	9,581.77
Revaluation as on date	328.33
Goodwill	9,910.10

Details of the purchase consideration is as below:

	₹ million
Initial upfront cash consideration	9,233.67
Fair value of deferred consideration payable by January 09, 2020	2,070.60
Fair value of contingent consideration payable by October 8, 2020	1,308.71
Total Purchase consideration	12,612.98

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Mobiquity on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate and the probabilities of achievement of the financial targets.

The Goodwill represents assembled workforce and expected synergies from the combined operations and it is not expected to be tax deductible.

Had the acquisition occurred on January 1, 2019, management estimates that the group's consolidated revenue would have been ₹ 58,512.69 million and profits would have been ₹ 6,440.59 million for the year ended December 31, 2019.

The proforma amounts are not necessarily indicative of results that would have been occurred if acquisition occurred on dates indicated or that may result in the future.

The transaction costs of ₹ 168.24 million has been included in the statement of profit and loss account for the year ended December 31, 2019 and shown as an exceptional item.

Considering the aforesaid business combination, the financials for the year ended and as at December 31, 2019 are not comparable with that of the previous year.

b Goodwill :

₹ million

	Total
As at January 1, 2019	1,809.08
On acquisition during the year (Refer note 6 (a) above)	9,581.77
Translation exchange rate difference	370.03
As at December 31, 2019	11,760.88
Translation exchange rate difference	283.16
As at December 31, 2020	12,044.04

Notes to the Consolidated Financial Statements

Considering the synergies accruing to the CGUs, the Company allocates the carrying value of goodwill allocated to CGUs as follows:

₹ million

CGUs	December 31, 2020	December 31, 2019
T&T	980.43	1,177.54
BFS	4,583.76	4,533.20
H&I	2,580.02	2,295.45
HTPS	1,817.72	1,720.49
M & C	2,082.11	2,034.20
Total	12,044.04	11,760.88

Goodwill is tested for impairment on an annual basis. The recoverable amount is higher of its fair value less costs of disposal and its value in use. Considering the assumptions below, there was no impairment as of December 31, 2020.

The estimated value in use of CGUs is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 11.9%

These estimates are likely to differ from future actual results of operations and cash flows.

An analysis of the sensitivity of the computation to a combined change in key parameters (gross margin, discount rates and growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

7. Other intangible assets

Other intangible assets consist of the following:

₹ million

	Brand	Software licenses	Customer Contracts/Relations	Total
COST				
At January 1, 2020	160.02	794.87	2,718.40	3,673.29
Additions	-	34.93	273.40	308.33
Disposals / Adjustments	-	0.37	-	0.37
Translation exchange difference	3.78	3.36	31.63	38.77
As at December 31, 2020	163.80	833.53	3,023.43	4020.76
ACCUMULATED AMORTISATION				
At January 1, 2020	56.52	696.48	374.62	1,127.62
Amortisation for the year	107.70	59.64	556.07	723.41
Disposals / Adjustments	-	0.48	(0.44)	0.04
Translation exchange difference	(0.42)	2.10	(23.47)	(21.79)
As at December 31, 2020	163.80	758.70	906.78	1829.28
NET CARRYING AMOUNT				
As at December 31, 2020	0.00	74.83	2,116.65	2191.48
COST				
At January 1, 2019	-	678.91	-	678.91
Additions	-	50.94	139.63	190.57
Additions on acquisition	154.72	-	2,361.23	2,515.95
Disposals	-	61.25	-	61.25
Translation exchange difference	5.30	3.75	101.52	110.57
At December 31, 2019	160.02	794.85	2,602.38	3557.25
ACCUMULATED AMORTISATION				
At January 1, 2019	-	574.32	-	574.32
Amortisation for the year	55.69	67.52	240.46	363.67
Disposals	-	51.08	(2.01)	49.07
Translation exchange difference	0.83	3.57	20.15	24.55
At December 31, 2019	56.52	696.49	258.60	1011.61
NET CARRYING AMOUNT				
At December 31, 2019	103.50	98.36	2,343.78	2545.64

Notes to the Consolidated Financial Statements

Notes:

1. During the year in February 2020, the Company has acquired customer/ business contract entered by Argus Information & Advisory Services, LLC with it's customer for consideration amounting to ₹ 273.40 million. Based on internal assessments and considering forecast / assumption, the Company has allocated the considerations into customer relations and goodwill being inconsequential amount has been subsumed in the value of customer contracts. The assumptions used for such valuations are in line with past trends and current contracts / arrangements.
2. Amortisation is included in consolidated statement of profit and loss under the line item "Depreciation and amortisation expenses".

8. Investments

₹ million

		As at December 31, 2020	As at December 31, 2019
A	Non current investments in equity shares (unquoted)		
	Investment in Associate		
	Nil (250,000 shares of USD 1/- each) in Experis Technology Solutions Pte. Ltd.	-	25.41
	Other Investments		
	At fair value through other comprehensive Income		
	240,958 equity shares of ₹ 10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
		4.58	29.99

9. Loans - Security Deposits

₹ million

		As at December 31, 2020	As at December 31, 2019
A	Non-current		
	Security deposits for premises and others (a)	400.16	412.00
B	Current		
	Security deposits for premises and others	39.91	7.66

(a) Excludes deposits aggregating ₹ 34.56 million (December 31, 2019 : ₹ 34.56 million) provided as doubtful of recovery basis the expected credit loss model.

10. Other financial assets (unsecured) (considered good)

₹ million

		As at December 31, 2020	As at December 31, 2019
A	Non-current		
	Interest accrued on bank deposits	0.54	0.57
	Derivative assets	178.09	49.90
	Restricted bank balances (a)	116.85	62.90
		295.48	113.37
	(a) Restriction on account of bank deposits held as margin money.		
		As at December 31, 2020	**As at December 31, 2019**
B	Current		
	Interest accrued on bank deposits	0.63	0.22
	Receivable from Service provider	-	15.49
	Derivative assets	265.79	228.49
		266.42	244.20

Notes to the Consolidated Financial Statements

11. Income taxes

11.1 Income tax expense is allocated as follows:

₹ million

	For year ended December 31, 2020	For year ended December 31, 2019
Income tax expense as per the Statement of Profit and Loss	1,789.99	1,379.24
Income tax included in OCI / Equity on:		
a) Net change in fair value of cash flow hedges	94.72	(39.28)
b) Remeasurement of defined benefit plan	(48.08)	(34.13)
c) Recognised in equity in relation to stock based compensation	(86.55)	22.40
	1,750.08	1,328.23

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

₹ million

	For year ended December 31, 2020	For year ended December 31, 2019
Profit before income-tax	7,998.29	7,792.67
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	2,794.92	2,723.07
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(1,168.69)	(1,148.72)
Tax effect of non-deductible expenses	73.51	39.82
Tax charges / (credit) pertaining to earlier years	263.05	0.00
Tax rate differential at different jurisdictions	(155.96)	(207.24)
Others, net	(16.83)	(27.68)
Income tax expense recognised in the Statement of Profit and Loss	1,789.99	1,379.24

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

The Company is undergoing tax assessment proceedings in the US. Review is primarily towards related party transactions between group companies. Company intends to make an application to competent authorities for mutual resolution between US and India under the under Mutual Agreement Procedure. Based on the current assessment, Company has made additional tax provision (net) of ₹ 263.05 million for the FY 2017 to 2019.

Notes to the Consolidated Financial Statements

11.3 Components of deferred taxes as at:

₹ million

	December 31, 2019	Recognised in profit or loss	Recognised in OCI [2]	Recognised in equity	December 31, 2020
Deferred tax assets					
Allowance for doubtful debts	44.15	41.48	-	-	85.63
Brought forward losses	167.04	-	3.94	-	170.98
Employee benefit obligations	355.50	344.38	36.45	-	736.33
Leases [1]	54.52	29.86	-	-	84.38
Minimum alternate tax credit carry forward	1,636.12	(113.86)	-	-	1,522.26
Share based payment	56.75	0.84	-	86.55	144.14
Unrealised loss on cash flow hedges	40.17	-	(94.93)	-	(54.76)
Others	11.49	(16.27)	-	21.33	16.55
Total	2,365.74	286.43	(54.54)	107.88	2,705.51
Deferred tax liabilities					
Depreciation	237.77	14.68	-	-	252.45
Intangible Assets	636.25	(145.55)	35.59	-	526.29
Total	874.02	(130.87)	35.59	-	778.74
Net deferred tax asset	1,491.72	417.30	(90.13)	107.88	1,926.77

1) Opening balance of deferred tax on lease assets has been restated by ₹ 54.52 million to give impact of transition to Ind AS 116 (Refer note 3.1)

	January 1, 2019	On Acquisition	Recognised in profit or loss	Recognised in OCI (2)	Recognised in equity	December 31, 2019
Deferred tax assets						
Allowance for doubtful debts	35.58	-	8.23	0.34	-	44.15
Brought forward losses	-	161.51	-	5.53	-	167.04
Employee benefit obligations	332.61	-	16.58	6.31	-	355.50
Minimum alternate tax credit carry forward	1,482.16	-	153.96	-	-	1,636.12
Share based payment	124.06	-	(48.03)	3.12	(22.40)	56.75
Unrealised loss on cash flow hedges	0.89	-	-	39.28	-	40.17
Others	8.23	-	3.05	0.21	-	11.49
Total	1,983.53	161.51	133.79	54.79	(22.40)	2,311.22
Deferred tax liabilities						
Depreciation	199.39	-	38.69	(0.31)	-	237.77
Intangible Assets	-	679.31	(64.16)	21.10	-	636.25
Total	199.39	679.31	(25.47)	20.79	-	874.02
Net deferred tax asset	1,784.14	(517.80)	159.26	34.00	(22.40)	1,437.20

2) Including in foreign currency translation reserve

(a) Deferred tax liability on temporary differences of ₹ Nil as at December 31, 2020 (₹ 1,241 million as at December 31, 2019), associated with investments in subsidiaries, has not been recognised, as it is the intention of the parent company to reinvest the earnings of these subsidiaries for the foreseeable future.

Notes to the Consolidated Financial Statements

(b) In the absence of probability of recoverability for the unused tax credits as at December 31, 2020 aggregating to ₹ 334.98 million (₹ 332.31 as at December 31, 2019) no tax asset is recognised in the books as at December 31, 2020. If these tax losses are not utilised they would expire on various dates starting from FY 2031.

(c) There are unused tax losses amounting to ₹ 1,871.92 million (December 31, 2019 ₹ 1,332.16) for which no deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available. If these tax losses not utilised would expire on various dates starting from FY 2031.

12. Other assets (unsecured)

₹ million

	As at December 31, 2020	As at December 31, 2019
A Non-current		
Capital Advances	1.38	17.41
Deferred contract cost	66.24	95.11
Prepaid Expenses relating to leasehold land *	-	527.64
Other Prepaid Expenses	4.24	59.19
Indirect taxes recoverable	125.38	124.56
	197.24	823.91

* includes unamortised lease premium in respect of one parcel of leasehold land allotted to the Company at Nagpur for which the final lease agreement is being executed amounting to ₹ Nil and ₹ 80.55 million as at December 31, 2019

₹ million

	As at December 31, 2020	As at December 31, 2019
B Current		
Deferred contract cost	70.67	59.62
Prepaid Expenses	811.91	742.77
Indirect taxes recoverable	68.28	159.52
Employee Advances	91.22	87.24
Others	20.39	22.47
	1,062.47	1,071.62

13. Trade Receivables (unsecured)

₹ million

	As at December 31, 2020	As at December 31, 2019
Considered good	8,140.00	9,795.61
Credit impaired	314.93	178.20
Less: Allowance for doubtful receivables	(314.93)	(178.20)
	8,140.00	9,795.61

Notes to the Consolidated Financial Statements

The Group'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:

₹ million

	As at December 31, 2020	As at December 31, 2019
Not due	5,221.08	5,756.42
Due less than 180 days (*)	2,917.01	3,917.91
Due greater than 180 days (**)	1.91	121.28
	8,140.00	9,795.61
* Net of impairment loss ₹ 125.45 million (Previous year ₹ 31.43 million)		
** Net of impairment loss ₹ 188.54 million (Previous year ₹ 146.77 million)		
Movement in allowance for doubtful receivables		
Balance at the beginning of the year	178.20	129.22
Expense for the year	255.26	148.73
Amounts recovered during the year	(124.42)	(104.17)
Written-off during the year/Exchange rate difference	5.89	4.42
Balance at the end of the year	314.93	178.20

14. Cash and bank balances

₹ million

	As at December 31, 2020	As at December 31, 2019
A Cash and cash equivalents		
Remittance in transit	96.59	85.61
Cash in hand	-	0.04
In current accounts with banks	9,361.20	2,152.90
Bank deposit accounts with less than 3 months maturity	656.66	77.88
Unclaimed dividend accounts	147.27	149.11
Margin money with banks	116.85	62.90
	10,378.57	2,528.44
Less: Restricted bank balances	(264.12)	(212.01)
	10,114.45	2,316.43
B Other bank balances		
Restricted bank balances in respect of unclaimed dividend *	147.27	149.11
	147.27	149.11

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2020

Notes to the Consolidated Financial Statements

15. Equity share capital

₹ million except per share data

	As at December 31, 2020	As at December 31, 2019
15.1 Authorised capital		
525,000,000 Equity shares of ₹ 2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of ₹ 1,421 each	1,563.10	1,563.10
15.2 Issued, subscribed and paid-up capital		
Equity shares of ₹ 2 each	600.66	596.77
15.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	29,83,84,321	29,73,60,989
Shares issued during the year	19,46,134	10,23,332
Shares outstanding at the end of the year	30,03,30,455	29,83,84,321

15.4 Rights, preferences and restrictions attached to equity shares

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

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

Name of shareholder		As at December 31, 2020	As at December 31, 2019
HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held	18,63,18,590	18,63,18,590
	% of holding	62.04%	62.44%
HT Global Holdings B.V.	No. of shares held	9,86,44,261	-
	% of holding	32.85%	-
HDFC Trustee Company Limited	No. of shares held	-	1,99,27,531
	% of holding	0.00%	6.68%

15.6 During the year ended, HT GLOBAL HOLDINGS B.V., subsidiary of HT Global IT Solutions Holdings Limited (hereinafter referred together as "Promoter Group") acquired 98,644,261 equity shares, representing 32.85% of total share capital of the Company from the Public shareholders under the voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. As a results of aforesaid acquisition, the aggregate shareholding of the Promoter Group stands at 94.88% in the Company as at December 31, 2020. The Company on October 19, 2020 has received the final approval of the stock exchanges (BSE and NSE) interalia confirming that the shares of the Company shall cease to be listed from November 09, 2020.

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

15.8 Shares reserved for issue under options

The Holding Company has granted employee stock options under ESOP 2007 and 2008 schemes and restricted stock units (RSU's) under the ESOP 2008 and 2015 scheme. Each option/RSU entitles the holder to one equity share of ₹ 2 each. 5,025,699 options / RSU's were outstanding as on December 30, 2020 (7,824,439 as on December 31, 2019).

15.9 The dividend per share recognised as distribution to equity shareholders during the year ended December 31, 2020 was ₹ 7.00 per share (year ended December 31, 2019 ₹ 8.50 per share)

Notes to the Consolidated Financial Statements

16. Other financial liabilities

₹ million

		As at December 31, 2020	As at December 31, 2019
A	**Non-current**		
	Capital creditors	-	1.18
	Derivative liabilities	39.52	31.40
	Others	2.30	12.24
		41.82	44.82
B	**Current**		
	Unclaimed dividend	147.27	149.11
	Capital creditors		
	- Dues of micro enterprises and small enterprises	1.63	-
	- Dues of other than micro enterprises and small enterprises	93.71	419.47
	Deferred Consideration	142.18	3,490.46
	Employee liabilities	2,889.54	2,081.96
	Derivative liabilities	34.06	66.79
	Others	-	0.03
		3,308.39	6,207.82

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

17. Due of other than micro enterprises and small enterprises

₹ million

	As at December 31, 2020	As at December 31, 2019
Trade payables	2,834.13	2,050.03
Accrued expenses	1,375.31	1,775.98
	4,209.44	3,826.01

18. Other liabilities

₹ million

		As at December 31, 2020	As at December 31, 2019
A	**Non-current**		
	Statutory liabilities	481.23	-
		481.23	-
B	**Current**		
	Unearned revenues	545.80	341.64
	Statutory liabilities	1,181.45	614.29
		1,727.25	955.93

19. Revenue from operations

19.1 The disaggregated revenue with the customers for the year ended December 31, 2020 by contract type:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Onshore	60%	62%
Offshore	40%	38%
Total revenue from operations	100%	100%

Notes to the Consolidated Financial Statements

19.2 The revenue from contracts as per geography for the year ended December 31, 2020 is disclosed under Note 28.2 (a)

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

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Contracted price	64,041.93	57,078.57
Reductions towards variable consideration components (discounts, rebate)	(1,421.13)	(1,253.39)
Revenue recognised	62,620.80	55,825.18

19.4 Deferred contract cost

Deferred contract cost represents the contract fulfilment cost. The below table discloses the movement in deferred contract cost:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	154.72	88.47
Cost capitalised during the year	59.25	100.25
Deduction on account of cost amortised during the year	(77.06)	(34.00)
Balance at the end of the year (Refer note 12)	136.91	154.72

19.5 Changes in unearned revenue are as follows:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	341.64	314.12
Addition on account of Acquisition	-	37.46
Revenue recognised during the year	(317.05)	(279.40)
Addition during the year	521.21	269.46
Balance at the end of the year	545.80	341.64

19.6 Transaction price allocated to the remaining performance obligations

₹ million

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Within 1 year	7,068.03	6,031.84
More than 1 year	7,048.97	9,385.73

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

19.7 Refer note 28.3 for information on customer exceeding 10% of total revenue.

19.8 Revenue by Nature

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue from contracts with customers	62,496.28	55,825.18
Other operating revenue	124.52	-
Total revenue from operations	62,620.80	55,825.18

Notes to the Consolidated Financial Statements

20. Other income

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Dividend from mutual funds	0.58	2.93
Interest income	60.26	73.81
(Loss) / profit on sale of property, plant and equipment (net)	4.59	(1.75)
Liability no longer required written back*	2.03	0.28
Miscellaneous income	11.27	14.11
	78.73	89.38

21. Employee benefits expense

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Salary and allowances	32,527.38	26,572.39
Contribution to provident, other funds and benefits	3,273.45	2,926.74
Staff welfare expenses	680.67	753.60
Employee stock option compensation cost	468.61	26.55
	36,950.11	30,279.28

21.1 Employee benefit plans

i) Provident Fund and Superannuation Fund and other similar funds

a) In respect of employees in India

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In respect of the Company's employees enrolled with the Hexaware Technologies Limited Employees Provided 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.

₹ million

Particulars	December 31, 2020	December 31, 2019
Present value of benefit obligation	5,066.73	4,234.02
Fair value of plan assets	4,874.86	4,124.22
Expected Investment return	8.02%	8.47%
Remaining term of maturities of plan assets	6.54 years	6.19 years
Expected guaranteed interest rates	8.50%	8.65%

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

During the year, the Group has recognised expenses towards contributions to provident fund and other funds and superannuation funds of ₹ 572.79 million (Previous year ₹ 497.66 million) and ₹ 29.51 million (Previous year ₹ 17.00 million), respectively.

Notes to the Consolidated Financial Statements

b) The Group, during the year contributed ₹ 964.19 million (Previous year ₹ 965.28 million) towards various other defined contributions plans and benefits of subsidiaries located outside India as per laws of the respective country.

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 based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. Vesting occurs on completion of specified years of service.

The following table sets out the status of the gratuity plan for the year ended December 31:

₹ million

Particulars	2020	2019
Change in Defined Benefit Obligation		
Opening defined benefit obligation	942.37	717.73
Current service cost	213.91	142.23
Interest cost	57.63	47.63
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	105.02	35.46
- Actuarial loss/(gains) arising from change in demographical assumptions	-	3.22
- Actuarial loss/(gains) arising on account of experience changes	(23.61)	62.08
Benefits paid	(72.39)	(65.97)
Closing defined benefit obligation	1,222.94	942.37
Change in the Fair Value of Assets		
Opening fair value of plan assets	599.04	563.90
Interest on plan assets	38.27	40.10
Remeasurement due to actual return on plan assets less interest on plan assets	9.61	28.59
Contribution by employer	12.51	32.42
Benefits paid	(72.39)	(65.97)
Closing fair value of plan assets	587.04	599.04
Net liability as per actuarial valuation	635.90	343.33
Expense charged to statement of profit and loss:		
Current service cost	213.91	142.23
Net interest on defined benefit plan	19.36	7.53
Total Included in Employment expenses	233.27	149.75
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	105.02	35.46
- changes in demographical assumptions	-	3.22
- Experience adjustments	(23.61)	62.08
- Actual return on plan assets less interest on plan assets	(9.61)	(28.59)
Total amount recognised in other comprehensive income	71.82	72.16
Actual return on plan assets	47.87	68.69
Category of assets -Insurer Managed Fund #	587.04	599.04

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

Notes to the Consolidated Financial Statements

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

Financial assumptions at the valuation date	2020	2019
Discount rate	5.15%	6.60%
Rate of increase in compensation levels of covered employees *	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.25%	7.25%

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

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

Impact on defined benefit obligation	December 31, 2020		December 31, 2019	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(3.12%)	3.20%	(2.92%)	3.03%
Decrease in 50 bps	3.29%	(3.06%)	3.08%	(2.90%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

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	₹ million
Year 1	160.52
Year 2	149.55
Year 3	145.07
Year 4	139.47
Year 5	121.43
Year 6	117.72
Year 7	106.47
Year 8	109.41
Year 9	95.46
Thereafter	635.40

The weighted average duration to the payment of these cash flows is 6.41 years.

Notes to the Consolidated Financial Statements

22. Operation and Other Expenses

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Rent	74.55	617.86
Rates and taxes	38.62	47.31
Travelling and conveyance	1,869.05	3,205.96
Electricity charges	172.27	304.05
Communication expenses	464.97	495.21
Repairs and maintenance	1,688.92	1,543.67
Printing and stationery	29.27	56.86
Legal and professional fees	510.57	295.05
Advertisement and business promotion	430.62	393.04
Bank and other charges	28.59	29.19
Directors' sitting fees	1.98	1.78
Insurance charges	104.06	68.66
Debts and advances written off	38.36	38.55
Allowance for doubtful accounts (net of write back)	181.43	28.07
Staff recruitment expenses	208.52	242.32
Sub contracting and other Service charges	9,081.62	9,167.78
Miscellaneous expenses	278.85	228.27
	15,202.25	16,763.63

23. Finance costs

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on borrowings	152.65	27.64
Interest on lease liabilities	280.16	-
Others	59.54	46.38
	492.35	74.02

24. Earnings per share (EPS)

The components of basic and diluted EPS:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net profit after tax (Rupees million)	6,215.00	6,413.43
Weighted average outstanding equity shares considered for basic EPS (Nos.)	29,92,50,005	29,80,38,633
Basic earnings per share (In Rupees)	20.77	21.52
Weighted average outstanding equity shares considered for basic EPS (Nos.)	29,92,50,005	29,80,38,633
Add : Effect of dilutive issue of stock options (Nos.)	40,41,543	38,61,769
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	30,32,91,548	30,19,00,401
Diluted earnings per share (In Rupees)	20.49	21.24
Par value per share (In Rupees)	2.00	2.00

Notes to the Consolidated Financial Statements

25. Related party disclosures

Names of related parties

Ultimate Holding Company and it's subsidiaries
Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists)
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
HT Global Holdings B.V.

Associate
Experis Technology Solutions Pte Ltd., Singapore (upto December 8, 2020)

Key Management Personnel (KMP)
Executive Director and CEO
R. Srikrishna

Non-executive directors
Atul K Nishar
Kosmas Kalliarekos
Jimmy Mahtani
Dileep Choksi (Retired on October 16, 2019)
Bharat Shah (Retired on October 16, 2019)
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)
Madhu Khatri (w.e.f. April 25, 2020)
Rajeev Kumar Mehta (w.e.f. October 05, 2020)

₹ million

Transactions	For the year ended December 31, 2020	For the year ended December 31, 2019
Associate		
Software and consultancy income	147.74	167.24
Remuneration to KMP		
Short term employee benefits	88.95	86.96
Post employment benefits	3.42	1.96
Share based payment	56.54	52.33
Commission and other benefits to non-executive directors	22.38	33.20

₹ million

Closing balances	For the year ended December 31, 2020	For the year ended December 31, 2019
Receivables from associate	12.53	57.67
Payable to / provision for KMP	53.35	49.42

Notes to the Consolidated Financial Statements

26. Financial Instruments

26.1 The carrying value / fair value of financial instruments (other than investment in associate) by categories is as follows:

₹ million

December 31, 2020	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	10,114.45	-	-	-	10,114.45
Other bank balances	147.27	-	-	-	147.27
Trade receivables	8,140.00	-	-	-	8,140.00
Unbilled receivables	3,244.95	-	-	-	3,244.95
Loans	440.07	-	-	-	440.07
Other financial assets	118.02	-	-	443.88	561.90
Investments in equity shares	-	-	4.58	-	4.58
	22,204.76	-	4.58	443.88	22,653.22
Borrowings	1,899.82	-	-	-	1,899.82
Deferred consideration	142.18	-	-	-	142.18
Trade payables	4,215.67	-	-	-	4,215.67
Lease liabilities	4,027.40	-	-	-	4,027.40
Other financial liabilities	3,168.51	-	-	39.52	3,208.03
	13,453.58	-	-	39.52	13,493.10

₹ million

December 31, 2019	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,316.43	-	-	-	2,316.43
Other bank balances	149.11	-	-	-	149.11
Trade receivables	9,795.61	-	-	-	9,795.61
Unbilled receivables	3,535.47	-	-	-	3,535.47
Loans	419.66	-	-	-	419.66
Other financial assets	166.42	-	-	278.39	444.81
Investments in equity shares	-	-	4.58	-	4.58
	16,382.70	-	4.58	278.39	16,665.67
Borrowings	1,430.73	-	-	-	1,430.73
Deferred consideration	3,490.46	-	-	-	3,490.46
Trade payables	3,949.15	-	-	-	3,949.15
Other financial liabilities	2,663.99	-	-	98.19	2,762.18
	11,534.33	-	-	98.19	11,632.52

Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled receivables, loans, trade payables, borrowings, deferred consideration, 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.

Notes to the Consolidated Financial Statements

26.2 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:

₹ million

December 31, 2020	Level I	Level II	Level III	Total
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	443.88	-	443.88
	-	443.88	4.58	448.46
Derivative financial liabilities	-	39.52	-	39.52

₹ million

December 31, 2019	Level I	Level II	Level III	Total
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

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.

26.3 Financial risk management

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

Geographic and client concentration risk

In year 2020, Americas contributed 74.05% (year 2019 - 75.64%) of the Group's total revenue. The Group continues to expand its global footprint to diversify geographic concentration though Americas remains largest market for the IT industry. The Group's exposure to the US regions is in line with the global industry practices. The Group will continue to invest in the region. There are a number of other growth factors in Americas such as favour for capitalism, highest per capita income, innovation driven culture and focus to retain high end work that allow us to identify and address the pockets of inefficiencies in the most optimum way.

45.18% of the revenue of the year is generated from top 10 clients (previous year - 46.69%). Any loss or major downsizing by these clients may impact Group's profitability. Further, excessive exposure to particular clients will limit Group's negotiating capacity and expose us to higher credit risk.

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

Notes to the Consolidated Financial Statements

The Group's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As the Group 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 Groups transactions are done on credit, the Group 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 Group to credit risk and can impact profitability. Group's maximum credit exposure is in respect of trade receivables of ₹ 8,140.00 million and ₹ 9,795.61 million as at December 31, 2020 and December 31, 2019, respectively and unbilled receivables of ₹ 3,244.95 million and ₹ 3,535.47 million as at December 31, 2020, December 31, 2019, respectively.

The Group has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 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 (including unbilled receivables) contribute 39.44% of the total outstanding as at December 31, 2020 (40.48% as at December 31, 2019).

Cash and cash equivalents and mutual funds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies. The investment in liquid mutual fund units are measured at fair value through profit and loss.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations is one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of Rupee appreciation which is functional currency of the Company vis-a-vis the US Dollar, the Euro and other foreign currencies, as largely, the costs incurred are in Indian Rupees and the revenue/ inflows are in foreign currencies. The contracts the Group companies enters 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 margins.

The Foreign Exchange Risk Management Policy authorised by the Forex Committee of the Board takes these circumstances into account and authorises 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.

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

₹ million

	USD	EUR	GBP	Others*
Net financial assets	10,080.13	1,775.76	1,693.12	1,406.18
Net financial liabilities	1,492.59	488.34	414.67	231.40
Net assets/(liabilities)	8,587.54	1,287.42	1,278.45	1,174.78

The following table analyses foreign currency risk from financial instruments as at December 31, 2019:

₹ million

	USD	EUR	GBP	Others*
Net financial assets	5,959.47	596.88	836.40	778.43
Net financial liabilities	183.08	462.26	487.80	147.61
Net assets/(liabilities)	5,776.38	134.61	348.59	630.82

Notes to the Consolidated Financial Statements

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company and its subsidiaries would result in the increase/ decrease in Group's profit before tax approximately by ₹ 1,232.82 million and ₹ 689.04 million for the year ended December 31, 2020 and December 31, 2019, respectively.

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

The Group 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 Group had outstanding hedging instrument in the form of foreign currency forward contracts as at:

₹ million

Currency hedged (Sell contracts)	As at December 31 2020	As at December 31 2019
USD	214.72	212.02
Euro	4.40	6.60
GBP	13.20	13.60

The weighted average forward rate for the hedges outstanding as at December 31, 2020 is ₹ 78.08, ₹ 91.04 and ₹ 101.30 (As at December 31, 2019 ₹ 74.85, ₹ 89.02 and ₹ 99.14) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

10% depreciation/appreciation of the respective foreign currencies with respect to closing exchange rate would result in the increase/ decrease in Group's other comprehensive income approximate by ₹ 213.68 million and ₹ 207.79 million for the year ended December 31, 2020 and December 31, 2019 respectively.

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

₹ million

	For year ended December 31, 2020	For year ended December 31, 2019
Balance at the beginning of the year	226.06	(14.86)
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(42.25)	(111.49)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	145.20	313.13
Less : Deferred tax on CFHR	(94.72)	39.28
Balance at the end of the year	234.29	226.06

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

Liquidity risk

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

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

As at December 31, 2020, the Group had total cash, bank balance and investments of ₹ 10,378.57 million (as at December 31, 2019 ₹ 2,528.44 million) which constitutes approximately 20.23% (previous year 6.07%) of total assets.

Notes to the Consolidated Financial Statements

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

₹ million

As at December 31, 2020	Less than 1 year	1-5 years	More than 5 years	Total
Trade and other payables	4,215.67	-	-	4,215.67
Derivative financial liabilities (Refer note 16)	-	39.52	-	39.52
Borrowings (secured)	438.42	1,461.40	-	1,899.82
Leases	455.62	1,840.38	1,731.40	4,027.40
Others (Refer note 16)	3,308.39	2.30	-	3,310.69
Total	**8,418.10**	**3,343.60**	**1,731.40**	**13,493.10**

₹ million

As at December 31, 2019	Less than 1 year	1-5 years	More than 5 years	Total
Trade and other payables	3,949.15	-	-	3,949.15
Derivative financial liabilities (Refer note 16)	66.79	31.40	-	98.19
Borrowings (secured)	1.27	1,429.46	-	1,430.73
Others (Refer note 16)	6,141.03	13.42	-	6,154.45
Total	10,158.24	1,474.28	-	11,632.52

Interest rate risk

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

1% increase/ decrease in LIBOR rate would result in the increase/ decrease in Group's profit before tax approximately by ₹ 8.04 million and ₹ 7.51 million for the year ended December 31, 2020 and December 31, 2019 respectively.

Capital management

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

27. Employee share based compensation

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

Notes to the Consolidated Financial Statements

27.2 The particulars of number of options/RSU's granted and lapsed under the aforementioned:

	ESOP - 2008		ESOP - 2015		Total	
	RSU's (nos.)	Weighted avg. ex. price per option (₹)	RSU's (nos.)	Weighted avg. ex. price per option (₹)	Options/RSU's (nos.)	Weighted avg. ex. price per option (₹)
Outstanding as at the beginning of the year	18,45,716	2.00	59,78,723	2.00	78,24,439	2.00
	(25,04,955)	(2.00)	(61,82,369)	(2.00)	(86,87,324)	(2.00)
Granted during the year	-	-	13,22,141	2.00	13,22,141	2.00
	(-)	(-)	(18,27,746)	(2.00)	(18,27,746)	(2.00)
Exercised during the year	5,26,315	2.00	14,19,819	2.00	19,46,134	2.00
	(1,89,450)	(2.00)	(8,33,882)	(2.00)	(10,23,332)	(2.00)
Lapsed during the year	8,76,049	2.00	12,98,698	2.00	21,74,747	2.00
	(4,69,789)	(2.00)	(11,97,510)	(2.00)	(16,67,299)	(2.00)
Outstanding as at the end of the year	4,43,352	2.00	45,82,347	2.00	50,25,699	2.00
	(18,45,716)	(2.00)	(59,78,723)	(2.00)	(78,24,439)	(2.00)
Exercisable as at the end of the year	1,83,844	2.00	8,07,960	2.00	9,91,804	2.00
	(1,61,820)	(2.00)	(6,68,482)	(2.00)	(8,30,302)	(2.00)

The weighted average share price on the date of exercise of options / RSU during the year was ₹ 336.45 and ₹ 349.68 for the year ended December 31, 2020 and December 31, 2019 respectively.

* Previous year figures are given in brackets

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

Range of exercise price	December 31, 2020		December 31, 2019	
	Options/ RSU's (Nos)	Life	Options/ RSU's (Nos)	Life
2.00	50,25,699	28	78,24,439	32
Total	**50,25,699**		78,24,439	

27.4 The fair values of RSU's granted in year 2020 and 2019 are determined using Black Scholes Option pricing model using following principal assumptions:

Particulars	2020	2019
Weighted Average fair value (₹)	353.50	343.93
Weighted Average share price (₹)	373.30	369.20
Dividend Yield (%)	1.70 - 2.16	2.16 - 2.48
Expected Life (years)	1.14 - 3.55	1.39 - 5.85
Risk free interest rate (%)	3.88 - 6.50	5.97 - 7.22
Volatility (%)	31.70 - 47.98	35.24 - 41.16

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

Notes to the Consolidated Financial Statements

28 Segment disclosures

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

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

Segment results for the year ended December 31, 2020

₹ million

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	5,099.60	23,829.91	13,414.76	9,450.87	10,825.66	62,620.80
Expenses	(4,118.50)	(20,944.78)	(10,856.16)	(7,572.03)	(8,660.89)	(52,152.36)
Segment profit	981.10	2,885.13	2,558.60	1,878.84	2,164.77	10,468.44
Less: Depreciation						(2,323.89)
Add: Exchange rate differences						267.36
Add: Other income						78.73
Less: Finance costs						(492.35)
Less: Exceptional item - Acquisition related costs						-
Add: Share in net profit of associate						6.70
Profit before tax						8,004.99
Less: Tax expense						(1,789.99)
Profit after tax						6,215.00

Segment results for the year ended December 31, 2019

₹ million

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	5,589.40	21,517.68	10,895.79	8,166.61	9,655.70	55,825.18
Expenses	(4,531.95)	(19,084.73)	(8,793.46)	(6,765.34)	(7,867.43)	(47,042.91)
Segment profit	1,057.45	2,432.95	2,102.33	1,401.27	1,788.27	8,782.27
Less: Depreciation						(1,033.53)
Add: Exchange rate differences						192.71
Add: Other income						89.38
Less: Finance costs						(74.02)
Less: Exceptional item - Acquisition related costs						(168.24)
Less: Share in net profit of associate						4.10
Profit before tax						7,792.67
Less: Tax expense						(1,379.24)
Profit after tax						6,413.43

Notes to the Consolidated Financial Statements

28.2 Geographic disclosures

(a) The Group's primary source of revenue is from customers in Americas region (primarily USA) and Europe region.

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Americas	46,371.18	42,225.03
Europe	11,431.42	8,537.21
APAC	4,818.20	5,062.94
Total	62,620.80	55,825.18

(b) The information regarding geographical non-current assets is as follows:

₹ million

	As at December 31, 2020	As at December 31, 2019
Americas	12,863.83	11,201.41
Europe	1,193.86	1,159.21
APAC	11,563.36	10,249.17
Total	25,621.05	22,609.79

28.3 Customer information

Customer accounting for the revenue in excess of 10% of the Group revenue:

₹ million

Customer	Segment	For the year ended December 31, 2020	For the year ended December 31, 2019
Customer A	HTPS	7,302.26	6,594.89
Customer B	BFS	6,783.09	-

All of above are categorised in Americas geography.

29. Contingent liabilities

a. Claims not acknowledged as debt amounts to ₹ 28.14 million (₹ 28.14 million as on December 31, 2019), being a claim from landlord of a premise occupied by the Holding Company in an earlier year. The Holding 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 Holding Company is in appeal

Income tax demands of ₹ 9.59 million (₹ 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 Holding 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.

c. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) as at December 31, 2020 is ₹ 226.43 million (As at December 31, 2019 ₹ 171.51 million)

Notes to the Consolidated Financial Statements

30. 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 account.

31. **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 that estimated till date by the management. The management is continuously monitoring the material changes.

32. **Borrowings**

The non current borrowing represents LIBOR based term loan from a bank repayable at the end of 3 years. The current borrowing represents LIBOR based working capital facility repayable on demand. Both the above borrowing are secured by way of charge on the current assets of Hexaware Technologies Inc.

33. The Indian government has recently promulgated the Code on Social Security, 2020 ("Code") relating to various employee benefits including post-employment benefits. The effective date of the said Code is yet to be notified and rules for quantifying the financial impact are yet to be framed. The impact shall be assessed once the relevant rules thereunder are prescribed and it shall be recorded in the financial statements once the Code becomes effective.

34. **Material events after Balance Sheet date**

There is no significant event after reporting date which requires amendments or disclosure to these consolidated financial statements except the matter mentioned below.

The Board of Directors, at its meeting held on February 11, 2021 has declared final dividend of ₹ 3.50 per equity share (175%). This would result in cash outflow of ₹ 1,051.16 million.

35. **Approval of the financial statements**

The consolidated financial statements were approved for issue by the Board of Directors on February 11, 2021.

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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra **Partner** Membership number: 103145	Rajeev Kumar Mehta **(Chairman)** (DIN-08897689)	Jimmy Mahtani **(Vice Chairman)** (DIN-00996110)	R. Srikrishna **(CEO & Executive Director)** (DIN 03160121)	Milind Sarwate **(Director)** (DIN-00109854)	Atul K Nishar **(Chairman Emeritus)** (DIN-00307229)
Place: Mumbai Date: 12 February 2021	Madhu Khatri **(Director)** (DIN-00480442)	P R Chandrasekar **(Director)** (DIN-02251080)	Kosmas Kalliarekos **(Director)** (DIN-03642933)	Vikash Kumar Jain **(Chief Financial Officer)**	Gunjan Methi **(Company Secretary)** Date: 11 February 2021

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 2020, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2020, and of 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 sub-section (10) of Section 143 of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
- 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by sub-section (3) of Section 143 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act; and

   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:

   i. the Company has disclosed the impact of pending litigations as at 31 December 2020 on its financial position in its standalone financial statements - refer Note 29 to the standalone financial statements;

   ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer Note 31 to the standalone financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 December 2020.

   (C) With respect to the matter to be included in the Auditor's Report under sub-section (16) of Section 197:

   In our opinion and according to the information and explanations given to us, the remuneration paid / payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

   The remuneration paid / payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under sub-section (16) of Section 197 which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No: 103145
ICAI UDIN: 21103145AAAABH3915

Mumbai
12 February 2021

Annexure A to the Independent Auditor's Report

on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2020

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets, by which all the items of fixed assets are covered in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, except for one parcel of leasehold land at Nagpur (amounting to ₹ 78.06 million), disclosed in Note 3 to the standalone financial statements.

(ii) The Company is a service company primarily engaged in providing information technology and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made and guarantees given. The Company had not granted any loan or security to the parties covered under the provisions of Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of pending loan or securities are not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues were in arrears as at 31 December 2020, for a period of more than six months from the date they became payable.

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

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

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution, bank or Government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any material instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Rajesh Mehra
Partner
Membership No: 103145
ICAI UDIN: 21103145AAAABH3915

Mumbai
12 February 2021

Annexure B to the Independent Auditor's Report

on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2020

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Hexaware Technologies Limited ("the Company") as of 31 December 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 December 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Rajesh Mehra
Partner
Membership No: 103145
ICAI UDIN: 21103145AAAABH3915

Mumbai
12 February 2021

Standalone Balance Sheet

₹ million

	Note	As at December 31, 2020	As at December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,914.82	5,717.85
Capital work-in-progress	4A	111.03	871.92
Right of use assets	3.1	2,821.89	-
Other intangible assets	5	62.16	102.90
Financial assets			
- Investments	6	2,311.16	2,300.49
- Loans - Security deposits	8A	321.37	343.47
- Other financial assets	9A	185.32	58.24
Deferred tax assets (net)	7	1,535.14	1,549.07
Income tax assets (net)		502.74	380.14
Other non-current assets	10A	182.56	777.28
Total non-current assets		13,948.19	12,101.36
Current assets			
Financial assets			
- Trade receivables	11	8,474.07	6,543.12
- Unbilled receivables		1,694.56	1,947.56
- Cash and cash equivalents	12A	5,272.52	670.22
- Other bank balances	12B	147.27	149.11
- Loans-Security deposits	8B	32.90	1.82
- Other financial assets	9B	609.95	607.23
Other current assets	10B	417.83	573.04
Total current assets		16,649.10	10,492.10
Total assets		30,597.29	22,593.46
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	600.66	596.77
Other Equity		22,479.23	18,916.32
Total equity		23,079.89	19,513.09
Non-current liabilities			
Financial liabilities			
- Lease liabilities		2,204.07	-
- Other financial liabilities	14A	20.48	34.75
Provisions - Employee benefit obligations in respect of Gratuity and others		886.60	520.69
Other non - current liabilities	16A	45.35	16.90
Total non-current liabilities		3,156.50	572.34
Current liabilities			
Financial liabilities			
- Lease liabilities		124.78	-
- Trade and other payables			
(i) Dues of micro enterprises and small enterprises	30	6.23	13.34
(ii) Dues of other than micro enterprises and small enterprises	15	1,894.48	763.12
- Other financial liabilities	14B	1,214.43	1,078.29
Other current liabilities	16B	304.24	298.80
Provisions			
- Employee benefit obligations in respect of compensated absences and others		424.11	271.84
Income tax liabilities (net)		392.63	82.64
Total current liabilities		4,360.90	2,508.03
Total liabilities		7,517.40	3,080.37
Total equity and liabilities		30,597.29	22,593.46

The accompanying notes 1 to 36 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra
Partner
Membership number: 103145

Rajeev Kumar Mehta
(Chairman)
(DIN-08897689)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN 03160121)

Milind Sarwate
(Director)
(DIN-00109854)

Atul K Nishar
(Chairman Emeritus)
(DIN-00307229)

Place: Mumbai
Date: 12 February 2021

Madhu Khatri
(Director)
(DIN-00480442)

P R Chandrasekar
(Director)
(DIN-02251080)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Standalone Statement of Profit and Loss

₹ million, except EPS

	Note	For the year ended December 31, 2020	For the year ended December 31, 2019
INCOME			
Revenue from operations	17	24,277.87	21,409.11
Exchange rate difference (net)		389.36	336.53
Other income	18	520.31	28.67
Total income		25,187.54	21,774.31
EXPENSES			
Employee benefits expense	19	13,741.00	11,435.12
Finance costs	21	281.09	0.42
Depreciation and amortisation expense	4,5	1,130.22	609.91
Operation and other expenses	20	3,722.82	3,632.49
Total expenses		18,875.13	15,677.94
Profit before exceptional item and tax		6,312.41	6,096.37
Exceptional item - Acquisition related costs		-	5.21
Profit before tax		6,312.41	6,091.16
Tax expense	7		
- Current tax		954.84	1,136.63
- Deferred tax charge/(credit)		(24.20)	(120.80)
Total tax expense		930.64	1,015.83
Profit for the year		5,381.77	5,075.33
Other comprehensive income (OCI):			
i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		(133.87)	(181.96)
- Income tax relating to items that will not be reclassified to profit or loss		48.08	34.13
ii) Items that will be reclassified to profit or loss			
- Net change in fair value of cash flow hedges		125.26	201.63
- Income tax relating to items that will be reclassified to profit or loss		(100.64)	39.28
Total other comprehensive income / (loss)		(61.17)	93.08
Total comprehensive income for the year		5,320.60	5,168.41
Earnings per share (EPS) (In ₹)			
Basic	23	17.98	17.03
Diluted		17.74	16.81

The accompanying notes 1 to 36 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

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Partner
Membership number: 103145

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(Chairman)
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Place: Mumbai
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Kosmas Kalliarekos
(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Standalone Statement of Changes in Equity

A. Equity Share Capital

₹ million

	As at December 31, 2020	As at December 31, 2019
Outstanding at the beginning of the year	596.77	594.72
Issued during the year	3.89	2.05
Outstanding at the end of the year (Note 13)	**600.66**	**596.77**

B. Other Equity

₹ million

	Share application money pending allotment	Reserves and Surplus							Other comprehensive income	Total
		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 year	-	-	-	-	-	-	-	5,381.77	-	5,381.77
Other comprehensive income / (loss) (net of tax)	-	-	-	-	-	-	-	(85.79)	24.62	(61.17)
Total comprehensive income for the year	-	-	-	-	-	-	-	5,295.98	24.62	5,320.60
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(2,092.37)	-	(2,092.37)
Transfer from special economic zone reserve				(258.25)				258.25		-
Transfer to special economic zone reserve	-	-	-	638.45	-	-	-	(638.45)	-	-
Received / transferred on exercise of stock options	0.04	444.21	-	-	(444.21)	-	-	-	-	0.04
Compensation related to employee share based payments	-	-	-	-	461.09	-	-	-	-	461.09
As at December 31, 2020	0.04	4,290.43	4.38	380.20	824.65	11.39	2,117.71	14,599.75	250.68	22,479.23
Balances as at January 1, 2019	0.42	3,635.69	4.38	476.45	991.75	11.39	2,117.71	9,553.14	(14.86)	16,776.08
Profit for the year	-	-	-	-	-	-	-	5,075.33	-	5,075.33
Other comprehensive income	-	-	-	-	-	-	-	(147.83)	240.92	93.09
Total comprehensive income for the year	-	-	-	-	-	-	-	4,927.50	240.92	5,168.42
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(3,054.31)	-	(3,054.31)
Shares Issued on exercise of options	-	-	-	-	-	-	-	-	-	-
Transfer to SEZ Re-investment Reserve	-	-	-	397.64	-	-	-	(397.64)	-	-
Transfer from SEZ Re-investment Reserve	-	-	-	(874.09)	-	-	-	874.09	-	-
Received / transferred on exercise of stock options	(0.42)	210.53	-	-	(210.53)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	26.55	-	-	-	-	26.55
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

Standalone Statement of Changes in Equity

Description of component of Other equity

a) Securities premium is used to record the premium received on issue of shares to be utilised in accordance with the provisions of the Companies Act, 2013 .

b) Capital reserve represent reserve on amalgamation

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

d) 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

e) 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 represents appropriation of profits by the Company.

g) Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 36 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehta
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(Director)
(DIN-03642933)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Date: 11 February 2021

Standalone Statement of Cash Flows

₹ million

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash Flow from operating activities		
Net Profit before tax	6,312.41	6,091.16
Adjustments for:		
Depreciation and amortisation expense	1,130.22	609.91
Employee stock option compensation cost	65.94	(3.35)
Interest income	(64.53)	(15.84)
Allowance for doubtful debts (net of write back)	105.04	13.87
Debts and advances written off	8.80	-
Dividend from current investments	(0.58)	(2.93)
Other income	(5.69)	-
Loss/(Profit) on sale of property, plant and equipments (PPE) and intangible assets (net)	(4.64)	1.73
Dividend from Subsidiaries	(440.78)	-
Exchange rate difference (net) - unrealised	10.83	0.84
Finance costs	281.08	0.42
Operating profit before working capital changes	7,398.11	6,695.81
Adjustments for:		
Trade receivables and other assets	(721.70)	(2,047.48)
Trade payables, other liabilities and provisions	1,201.22	123.10
Cash generated from operations	7,877.63	4,771.43
Direct taxes paid (net)	(781.88)	(1,116.98)
Net cash from operating activities	7,095.74	3,654.45
Cash flow from investing activities		
Purchase of PPE, Intangible assets and CWIP including advances	(483.19)	(973.50)
Interest received	64.01	16.79
Purchase of current investments	(300.58)	(1,115.43)
Proceeds from sale/ redemption of current Investments	300.58	1,216.71
Investment in subsidiaries	(10.67)	(401.17)
Dividend from Subsidiaries	440.78	-
Dividend from current investments	0.58	2.93
Proceeds from sale of Property, Plant and Equipment	10.65	2.91
Net cash used in investing activities	22.16	(1,250.76)
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	3.93	1.63
Payment of lease liabilities	(348.99)	-
Interest paid	(67.37)	(0.42)
Dividend paid (including corporate dividend tax)	(2,092.34)	(3,054.31)
Net cash used in financing activities	(2,504.77)	(3,053.10)
Net increase / (decrease) in cash and cash equivalents	4,613.13	(649.41)
Cash and cash equivalents at the beginning of the year	670.22	1,320.47
Unrealised gain on foreign currency cash & cash equivalents	(10.83)	(0.84)
Cash and cash equivalents at the end of the year (Refer Note 12A)	5,272.52	670.22
Reconciliation of Short term borrowing		
Opening Balance	-	-
Borrowing during the year	2,750.00	-
Repaid during the year	(2,750.00)	-
Closing Balance	-	-

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

The accompanying notes 1 to 36 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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehta **Partner** Membership number: 103145	**Rajeev Kumar Mehta** **(Chairman)** (DIN-08897689)	**Jimmy Mahtani** **(Vice Chairman)** (DIN-00996110)	**R. Srikrishna** **(CEO & Executive Director)** (DIN 03160121)	**Milind Sarwate** **(Director)** (DIN-00109854)	**Atul K Nishar** **(Chairman Emeritus)** (DIN-00307229)
Place: Mumbai Date: 12 February 2021	**Madhu Khatri** **(Director)** (DIN-00480442)	**P R Chandrasekar** **(Director)** (DIN-02251080)	**Kosmas Kalliarekos** **(Director)** (DIN-03642933)	**Vikash Kumar Jain** **(Chief Financial Officer)**	**Gunjan Methi** **(Company Secretary)**

Date: 11 February 2021

Notes to 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 Significant Accounting Policies

2.1 Statement of compliance

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

2.2 Basis of Preparation

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

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company

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

2.3 Critical accounting judgements and key source of estimation uncertainty

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

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

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

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

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

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

Contract fulfilment costs/contract asset are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when

Notes to Standalone Financial Statements

considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

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

2.3.3 Leases

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

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

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

2.3.4 Others

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

2.4 Revenue Recognition

Effective January 1, 2019, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

In case of contract on time and material basis, transaction-based or volume-based contracts, revenue is recognised when the related services are performed.

In case of fixed price contracts, revenue is recognised using percentage of completion method. The Company uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated. Amount received or billed in advance of services performed are recorded as unearned revenue (Contract liability). Unbilled receivables (Contract assets) represents revenue recognised based on services performed in advance of billing in accordance with contract terms.

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

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

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

Notes to Standalone Financial Statements

price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

2.5 Leases

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

Company as a lessee

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

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

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

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

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

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

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

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

Notes to Standalone Financial Statements

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.

Refer note 3 for impact of transition to Ind AS 116.

2.6 Functional and presentation currency

Foreign currency

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

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

2.7 Borrowing Cost

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

2.8 Employee Benefits

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

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

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognised in the other comprehensive income in respect of defined benefit schemes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

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

2.9 Share based compensation

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

2.10 Taxes on Income

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

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

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

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

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

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

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

2.11 Property, plant and equipment (PPE)

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

Depreciation

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

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

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

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

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

2.12 Intangible assets

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

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

Notes to Standalone Financial Statements

Notes to Standalone Financial Statements

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

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

2.13 Impairment

a) Financial assets (other than at fair value)

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

b) Non-financial assets

Tangible and Intangible assets

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

2.14 Provisions

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

2.15 Non derivative financial instruments

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

A. Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

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

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

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

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

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

(iv) Investment in subsidiaries

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

Notes to 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, these liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

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

2.16 Derivative financial instruments and hedge accounting

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

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

2.17 Earnings per share ('EPS')

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

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

2.18 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.

Notes to Standalone Financial Statements

The above amendments was effective from the annual periods beginning January 1, 2020. The Company has taken appropriate impact due to this amendment in these standalone financial statements.

2.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2021.

3. Leases

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 Ind AS 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.
- The Company has recognised the rent concessions granted by the lessor due to the COVID-19 in the statement of profit and loss and has not considered it as lease modification.

On account of the aforesaid change, the Operations and other expenses is lower by ₹ 352.22 million, Depreciation and amortisation is higher by ₹ 283.26 million and Finance costs is higher by ₹ 213.71 million for the year ended December 31, 2020.

"Further, a right-of-use asset of ₹ 2,942.78 million and a corresponding lease liability of ₹ 2,558.35 million has been recognised. In respect of leases that were classified as finance leases, applying Ind AS 17 an amount of ₹ 251.42 million (Gross amount ₹ 345.47 million and accumulated depreciation ₹ 94.05 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 ₹ 518.55 million and an amount of ₹ 0.17 million in other current financial liabilities has been adjusted against right-of-use asset. The cumulative effect on transition in retained earnings net off taxes is ₹ 126.45 million (net of deferred tax of ₹ 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.

Notes to Standalone Financial Statements

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

₹ million

	Office premises*	Leasehold Land	Total
COST			
At January 1, 2020	2,675.64	518.55	3,194.19
Additions	-	-	-
Remeasurement	(107.26)	-	(107.26)
At December 31, 2020	2,568.38	518.55	3,086.93
ACCUMULATED AMORTISATION			
At January 1, 2020	-	-	-
Charge for the year	277.06	6.20	283.26
Remeasurement	(18.22)		(18.22)
At December 31, 2020	258.85	6.20	265.04
NET CARRYING AMOUNT			
At December 31, 2020	2,309.54	512.35	2,821.89

*Balance reclassified from ROU of building

"The Company incurred ₹ 0.74 million for the year ended December 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year ended December 31, 2019 is ₹ 284.18 million"

The maturity analysis of lease liabilities for the year ended December 31, 2020 is covered under note 22.3. The future minimum lease payments and payment profile of the non-cancellable operating leases for the year ended December 31, 2019 is as follows:

₹ million

Particulars	As at December 31, 2019
Not later than one year	343.02
Later than one year and not later than five years	1,060.41
Later than 5 years	360.61
Total	1,764.04

Notes to Standalone Financial Statements

4. Property, Plant and Equipment (PPE)

PPE consist of the following :

₹ million

	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
COST								
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)
Restated as at January 1, 2020	0.15	3,573.94	2,780.17	1,068.88	18.57	1,832.87	4.97	9,279.55
Additions	-	662.12	302.21	49.74	-	177.97	33.80	1,225.84
(Disposals) / Adjustments	-	-	(87.51)	(21.49)	-	3.33	-	(105.67)
At December 31, 2020	0.15	4,236.06	2,994.87	1,097.13	18.57	2,014.17	38.77	10,399.72
ACCUMULATED DEPRECIATION								
At December 31, 2019	-	421.35	1,869.25	558.84	13.95	1,038.82	4.96	3,907.17
Transfer to ROU	-	(94.56)	-	-	-	-	-	(94.56)
Restated as at January 1, 2020	-	326.79	1,869.25	558.84	13.95	1,038.82	4.96	3,812.61
Charge for the Year	-	89.74	341.67	74.30	1.88	250.98	13.05	771.62
(Disposals) / adjustments	-	-	(89.74)	(2.18)	-	(7.41)	-	(99.33)
At December 31, 2020	-	416.53	2,121.18	630.96	15.83	1,282.39	18.01	4,484.90
NET CARRYING AMOUNT								
At December 31, 2020	0.15	3,819.53	873.69	466.17	2.74	731.78	20.76	5,914.82
COST								
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	0.15	3,919.41	2,780.17	1,068.88	18.57	1,832.87	4.97	9,625.02
ACCUMULATED DEPRECIATION								
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	-	421.35	1,869.25	558.84	13.95	1,038.82	4.96	3,907.17
NET CARRYING AMOUNT								
At December 31, 2019	0.15	3,498.06	910.92	510.04	4.62	794.05	0.01	5,717.85

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 ₹ 345.47 million and net carrying value of ₹ 251.42 million which has been reclassified to right -of -use assets under IND AS 116.

4A. Capital Work-in-Progress (CWIP)

₹ million

Movement in Capital in Work Progress	As at December 31, 2020	As at December 31, 2019
Opening Balance	863.32	2,244.43
Addition during the year	221.11	408.58
Capitalised during the year	(973.40)	(1,789.69)
Closing Balance	111.03	863.32

Notes to Standalone Financial Statements

5. Other Intangible assets

Intangible assets consist of the following :

₹ million

	Software Licences	Customer Contracts/Relations	Total
COST			
Restated as at January 1, 2020	633.87	21.02	654.89
Additions	34.26	-	34.26
Disposals	0.37	-	0.37
At December 31, 2020	668.51	21.02	689.53
ACCUMULATED AMORTISATION			
Restated as at January 1, 2020	548.49	3.50	551.99
Amortisation for the year	57.39	17.95	75.34
Disposals	0.48	(0.44)	0.04
Translation exchange difference	0.00	-	-
At December 31, 2020	606.36	21.01	627.37
NET CARRYING AMOUNT			
At December 31, 2020	62.15	0.01	62.16
COST			
At January 1, 2019	582.93	-	582.93
Additions	50.94	21.02	71.96
At December 31, 2020	633.87	21.02	654.89
ACCUMULATED AMORTISATION			
Restated as at January 1, 2020	490.06	-	490.06
Amortisation for the year	58.43	3.50	61.93
At December 31, 2020	548.49	3.50	551.99
NET CARRYING AMOUNT			
At December 31, 2020	85.38	17.52	102.90

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

6. Investments

₹ million

	As at December 31, 2020	As at December 31, 2019
Non current investments in equity shares (unquoted)		
Investments in equity instruments of subsidiaries (at cost)		
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

Notes to Standalone Financial Statements

₹ million

	As at December 31, 2020	As at December 31, 2019
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
10000 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden	7.72	0.40
25 shares of USD 5000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	9.06	3.71
"10,292 Shares of ₹ 10/- each in Mobiquity Softech Pvt Ltd"	401.17	401.17
	2,306.58	2,295.91
Other Investments		
At fair value through other comprehensive income		
240,958 equity shares of ₹ 10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	2,311.16	2,300.49

Notes:

1. Net of provision for impairment in the value of investment of ₹ Nil (December 31, 2019 ₹ 11.14 million)
2. Net of provision for impairment in the value of investment of ₹ 121.65 million (December 31, 2019 ₹ 121.65 million)

7.

A. Income taxes

₹ million

		For Year ended December 31, 2020	As at December 31, 2019
	Income tax expense is allocated as follows :		
	Income tax expense as per the Statement of Profit and Loss	930.64	1,015.83
	Income tax included in Other Comprehensive Income on :		
a)	Net change in fair value of cash flow hedges	100.64	(39.28)
b)	Remeasurement of defined benefit plan	(48.08)	(34.13)
		983.20	942.42

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

₹ million

	For Year ended December 31, 2020	For Year ended December 31, 2019
Profit before income-tax	6,312.41	6,091.16
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	2,205.81	2,128.49
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Income exempt from tax	(1,029.00)	(1,137.08)
Tax effect of non-deductible expenses	21.67	23.76
Tax charges/ (credit) pertaining to earlier years	(241.13)	0.00
Others	(26.69)	0.65
	930.65	1,015.83

Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In India, substantial part of operations is carried from units in Special Economic Zones notified by the Government which also benefit from the tax

Notes to Standalone Financial Statements

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

C. Income taxes

₹ million

Components of deferred taxes:	January 1, 2020	Recognised in profit or loss	Recognised in OCI	December 31, 2020
Deferred tax assets				
Credit loss on trade receivables	22.53	36.07	-	58.60
Employee benefit obligations	100.04	96.20	36.45	232.69
Minimum alternate tax credit carry forward	1,636.12	(113.86)	-	1,522.26
Leases*	26.05	24.21	-	50.26
Total	1,784.74	42.62	36.45	1,863.81
Deferred tax liabilities				
Property, plant and equipments	249.80	18.42	-	268.20
Unrealised gain on cash flow hedges	(40.17)	-	100.64	60.47
Total	209.63	18.42	100.64	328.67
Net deferred tax asset	1,575.11	24.20	(64.19)	1,535.14

*Opening balance of deferred tax on lease assets has been restated by 26.05 million to give impact of transition to Ind AS 116 (Refer note 3)

₹ million

Components of deferred taxes:	January 1, 2019	Recognised in profit or loss	Recognised in OCI	December 31, 2019
Deferred tax assets				
Allowance for doubtful debts and advances	21.84	0.69	-	22.53
Employee benefit obligations	91.02	9.02	0.00	100.04
Provision for severance pay	0.01	0.00	0.00	0.01
Minimum alternate tax credit carry forward	1,482.16	153.96	0.00	1,636.12
Unrealised loss on cash flow hedges	0.00	0.00	0.00	0.00
Total	1,595.03	163.67	-	1,758.70
Deferred tax liabilities				
Unrealised gain on cash flow hedges	(0.89)	0.00	(39.28)	(40.17)
Depreciation	206.93	42.87	0.00	249.80
Total	206.04	42.87	(39.28)	209.63
Net deferred tax asset	1,388.99	120.80	39.28	1,549.07

a) Deferred income tax assets have not been recognised on temporary differences amounting to approximately ₹ 583.94 million as at December 31, 2020 (₹ 538.29 million as at December 31, 2019) associated with investment in subsidiaries as it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to Standalone Financial Statements

b) In the absence of probability of recoverability for the unused tax credits as at December 31, 2020 aggregating ₹ 334.98 million (₹ 332.31 as at December 31, 2019) no tax asset is recognised in the books as at December 31, 2020. If these tax losses are not utilised they would expire on various dates starting from FY 2031.

8. Loans-Security deposits(Unsecured, considered good)

A. Non-current

₹ million

	As at December 31, 2020	As at December 31, 2019
Security deposits for premises and others (a)	321.37	343.47

B. Current

₹ million

	As at December 31, 2020	As at December 31, 2019
Security deposits for premises and others	32.90	1.82

(a) Excludes deposits aggregating ₹ 34.56 million (December 31, 2019 : ₹ 34.56 million) provided as doubtful of recovery basis the expected credit loss model as of December 31, 2020

9. Other financial assets (unsecured) (considered good)

A. Non-current

₹ million

	As at December 31, 2020	As at December 31, 2019
Interest accrued on bank deposits	0.37	0.26
Foreign currency derivative assets	178.09	49.90
Restricted bank balances (a)	6.86	8.08
	185.32	58.24

(a) Restriction on account of bank deposits held as margin money

B. Current

₹ million

	As at December 31, 2020	As at December 31, 2019
Interest accrued on bank deposits	0.63	0.22
Foreign currency derivative assets	265.79	228.49
Others receivables from related parties (Refer note no. 24)	343.53	378.52
	609.95	607.23

Notes to Standalone Financial Statements

10. Other financial assets (unsecured) (considered good)

A. Non-current

₹ million

	As at December 31, 2020	As at December 31, 2019
Capital advances	1.38	17.41
Prepaid expenses relating to leasehold land * (Refer note 3)	-	527.64
Other prepaid expenses	9.56	12.56
Deferred contract cost	46.23	95.11
Indirect taxes recoverable	125.39	124.56
	182.56	777.28

* Includes unamortised lease premium in respect of one parcel of leasehold land allotted to the Company at Nagpur for which final lease agreement is being executed amounting to ₹ 78.95 million as at December 31, 2019.

B. Current

₹ million

	As at December 31, 2020	As at December 31, 2019
Prepaid expenses	277.29	277.39
Deferred contract cost	58.17	59.62
Indirect taxes recoverable	66.29	84.10
Employee advances	13.64	133.40
Others	2.44	18.53
	417.83	573.04

11. Trade Receivables (unsecured)

₹ million

	As at December 31, 2020	As at December 31, 2019
Considered good	8,474.07	6,543.12
Credit impaired	151.63	46.31
Less: Allowance for doubtful debts	(151.63)	(46.31)
	8,474.07	6,543.12
The Company's credit period generally ranges from 30 - 60 days. The age wise break up of trade receivables, net of allowances is given below.		
Not Due	2,235.16	5,498.13
Due less than 180 days*	4,294.60	13.42
Due more than 180 days**	1,944.31	1,031.57
	8,474.07	6,543.12
"* Net of allowance for doubtful receivables ₹ 80.33 million (Previous year ₹ 9.54 million) ** Net of allowance for doubtful receivables ₹ 70.36 million (Previous year ₹ 36.77 million)"		
Movement in allowance for doubtful debts		
Balance at the beginning of the year	46.31	32.38
Expense for the year	122.75	58.32
Amounts recovered during the year	(17.71)	(44.45)
Exchange rate fluctuations	0.28	0.06
Balance at the end of the year	151.63	46.31

Notes to Standalone Financial Statements

12. Cash and bank balances:

A. Cash and cash equivalents

₹ million

	As at December 31, 2020	As at December 31, 2019
Remittance in transit	96.58	75.61
In current accounts with banks	4,538.13	554.16
Bank deposit accounts with less than 3 months maturity	637.81	40.45
Unclaimed dividend accounts	147.27	149.11
Margin money with banks	6.86	8.08
	5,426.65	827.41
Less: Restricted bank balances	(154.13)	(157.19)
	5,272.52	670.22

B. Other bank balances

₹ million

	As at December 31, 2020	As at December 31, 2019
Restricted bank balances in respect of unclaimed dividend *	147.27	149.11
Less: Restricted bank balances	-	-
	147.27	149.11

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2020

13. Equity Share Capital

13.1 Authorised capital

₹ million

	As at December 31, 2020	As at December 31, 2019
525,000,000 Equity shares of ₹ 2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of ₹ 1,421 each	1,050.00	1,563.10

13.2 Issued, subscribed and paid-up capital

₹ million

	As at December 31, 2020	As at December 31, 2019
Equity shares of ₹ 2 each fully paid	600.66	596.77

13.3 Reconciliation of number of shares

	As at December 31, 2020	As at December 31, 2019
Shares outstanding at the beginning of the year	29,83,84,321	29,73,60,989
Shares issued during the year	19,46,134	10,23,332
Shares bought back during the year	-	-
Shares outstanding at the end of the year	30,03,30,455	29,83,84,321

Notes to Standalone Financial Statements

13.4 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the 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		As at December 31, 2020	As at December 31, 2019
HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held	18,63,18,590	18,63,18,590
	% of holding	62.04%	62.44%
HT Global Holdings B.V.	No. of shares held	9,86,44,261	-
	% of holding	32.85%	-
HDFC Trustee Company Limited	No. of shares held	-	1,99,27,531
	% of holding	-	6.68%

13.6 During the year, HT GLOBAL HOLDINGS B.V., subsidiary of HT Global IT Solutions Holdings Limited (hereinafter referred together as "Promoter Group") acquired 98,644,261 equity shares, representing 32.85% of total share capital of the Company from the Public shareholders under the voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. As a results of aforesaid acquisition, the aggregate shareholding of the Promoter Group stands at 94.88% in the Company as at December 31, 2020. The Company on 19 October 2020 has received the final approval of the stock exchanges (BSE and NSE) and effective 9 November 2020, the shares of the Company cease to be listed in stock exchanges.

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

13.8 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 ₹ 2 each. 5,025,699 options/ RSU's were outstanding as on December 31, 2020 (7,824,439 options as on December 31, 2019)

13.9 The dividend per share recognised as distribution to equity shareholders during the period ended December 31, 2020 was ₹ 7.00 per share (year ended December 31, 2019 was ₹ 8.50 per share).

14. Other financial liabilities

A. Non-current

₹ million

	As at December 31, 2020	As at December 31, 2019
Capital creditors		
-Dues of micro enterprises and small enterprises (refer note 30)	-	-
-Dues of other than micro enterprises and small enterprises	-	1.17
Foreign currency derivative liabilities	18.18	31.40
Accrued expenses	2.30	2.18
	20.48	34.75

Notes to Standalone Financial Statements

B. Current

₹ million

	As at December 31, 2020	As at December 31, 2019
Unclaimed dividend*	147.27	149.11
Capital creditors		
-Dues of micro enterprises and small enterprises (refer note 30)	1.63	-
-Dues of other than micro enterprises and small enterprises	72.52	349.77
Employee liabilities	958.95	512.62
Foreign currency derivative liabilities	34.06	66.79
	1,214.43	1,078.29

* There are no amounts due and outstanding to be credited to Investor Education and Protection fund (IEPF) as at December 31, 2020.

15. Dues of other than micro enterprises and small enterprises

₹ million

	As at December 31, 2020	As at December 31, 2019
Trade and other payables	1,357.85	392.58
Accrued expenses	536.63	370.53
	1,894.48	763.11

16. Other liabilities

A. Non-current

₹ million

	As at December 31, 2020	As at December 31, 2019
Unearned revenues	45.35	16.90
	45.35	16.90

B. Current

₹ million

	As at December 31, 2020	As at December 31, 2019
Unearned revenues	58.12	75.78
Statutory liabilities	246.12	223.02
	304.24	298.80

17. Revenue from operations

17.1 The disaggregated revenue with customers by revenue mix:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Offshore	77.85%	91.30%
Onshore	22.15%	8.70%
Total revenue from operations	100%	100%

Notes to Standalone Financial Statements

17.2 The revenue with customers as per geography is as under:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Americas	16,118.08	14,480.65
Europe	3,699.61	2,756.16
APAC	4,460.18	4,172.30
Total revenue from operations	24,277.87	21,409.11

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

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Contracted price	24,897.16	21,453.16
Reductions towards variable consideration components (discounts, rebate)	(619.29)	(44.05)
Revenue recognised	24,277.87	21,409.11

17.4 Deferred contract cost

Deferred contract cost represents the contract fulfilment cost and cost for obtaining the contract. The below table discloses the movement in deferred contract cost:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance as at January 1, 2020	154.73	88.47
Cost capitalised during the year	14.52	100.26
Deduction on account of cost amortised during the year	(64.85)	(34.00)
Balance as at December 31, 2020	104.40	154.73

17.5 Changes in unearned revenue are as follows:

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance as at January 1, 2020	92.68	17.09
Revenue recognised during the year	(92.68)	(17.09)
Addition during the year	103.47	92.68
Balance as at December 31, 2020	103.47	92.68

17.6 Transaction price allocated to the remaining performance obligations

₹ million

Particulars	As at December 31, 2020	As at December 31, 2019
Within 1 year	2,835.50	1,363.33
More than 1 year	2,251.47	1,852.97

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

Notes to Standalone Financial Statements

18. Other income

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Dividend from Mutual funds	0.58	2.93
Dividend from Subsidiaries	440.78	-
Interest income	64.53	15.84
(Loss) / profit on sale of property, plant and equipment (net)	4.64	(1.73)
Miscellaneous income	9.78	11.63
	520.31	28.67

19. Employee benefits expense

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Salary and allowances	12,532.06	10,307.62
Contribution to provident and other funds	796.59	668.26
Staff welfare expenses	346.41	462.59
Employee stock option compensation cost	65.94	(3.35)
	13,741.00	11,435.12

20. Employee benefits expense

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Rent (Refer note 3)	0.74	284.18
Rates and taxes	25.93	34.93
Travelling and conveyance	471.08	782.51
Electricity charges	167.80	295.23
Communication expenses	223.36	205.68
Repairs and maintenance	617.86	762.92
Printing and stationery	21.38	43.72
Payment to auditors	13.13	14.29
- Audit fees	9.73	9.38
- Tax audit fees	1.20	1.20
- Certification work, taxation and other matters	2.20	3.71
Legal and professional fees	292.00	141.47
Advertisement and business promotion	120.86	114.56
Bank and other charges	11.38	12.31
Directors' sitting fees	1.14	1.48
Insurance charges	33.15	23.71
Debts and advances written off	8.80	-
Allowance for doubtful debts (net of write back)	105.04	13.87
Staff recruitment expenses	87.58	119.14
Sub contracting and other Service charges	1,354.75	664.28
Losses on redemption of Investments	2.00	-
Miscellaneous expenses	164.84	118.21
	3,722.82	3,632.49

Notes to Standalone Financial Statements

21. Finance costs

₹ million

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on borrowings	59.17	-
Interest on lease liabilities (Refer note 3)	213.71	-
Interest on others	8.21	0.42
	281.09	0.42

22. Financial Instruments

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

₹ million

December 31, 2020	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	5,272.52	-	-	-	5,272.52
Other bank balances	147.27	-	-	-	147.27
Trade receivables	8,474.07	-	-	-	8,474.07
Unbilled receivables	1,694.56	-	-	-	1,694.56
Loans-Security deposits	354.27	-	-	-	354.27
Other financial assets	351.39	-	-	443.88	795.27
Investments in equity shares	-	-	4.58	-	4.58
	16,294.08	-	4.58	443.88	16,742.54
Trade payables	1,900.71	-	-	-	1,900.71
Other financial liabilities	1,182.67	-	-	52.24	1,234.91
Lease Liabilities	2,328.85	-	-	-	2,328.85
	5,412.23	-	-	52.24	5,464.47

December 31, 2019	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	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	387.08	-	-	278.39	665.47
Investments in equity shares	-	-	4.58	-	4.58
	10,042.38	-	4.58	278.39	10,325.35
Trade payables	776.46	-	-	-	776.46
Other financial liabilities	1,014.85	-	-	98.19	1,113.04
Lease Liabilities	-	-	-	-	-
	1,791.31	-	-	98.19	1,889.50

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.

Notes to Standalone Financial Statements

22.2 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:

₹ million

December 31, 2020	Level I	Level II	Level III	Total
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	443.88	-	443.88
	-	443.88	4.58	448.46
Derivative financial liabilities	-	52.24	-	52.24

December 31, 2019	Level I	Level II	Level III	Total
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

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.

22.3 Financial risk management

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

Geographic and client concentration risk

In year 2020, Americas contributed 66.39% (previous year - 67.64%) of the Company's total revenue. The Company continues to expand its global footprint to diversify geographic concentration though Americas remains largest market for the IT industry. The Company's exposure to the US regions is in line with the global industry practices. The Company will continue to invest in the region. There are a number of other growth factors in Americas such as favour for capitalism, highest per capita income, innovation driven culture and focus to retain high end work that allow us to identify and address the pockets of inefficiencies in the most optimum way.

61.74% of the revenue of the year is generated from top 10 clients (previous year - 74.46%). 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.

Notes to Standalone Financial Statements

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As the Company add 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 ₹ 8,474.07 million and ₹ 6,543.12 million as at December 31, 2020 and December 31, 2019, respectively and unbilled receivables of ₹ 1,694.56 million and ₹ 1,947.56 million as at December 31, 2020, December 31, 2019, respectively.

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 11 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 10 customer dues (including unbilled receivables) contribute 75.00% of the total outstanding as at December 31, 2020 (78.6% as at December 31, 2019).

Cash and cash equivalents and mutual funds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies. The investment in liquid mutual fund units are measured at fair value through profit and loss.

Foreign Currency fluctuations Risk

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

The Foreign Exchange Risk Management Policy authorised by the Forex Committee of the Board takes these circumstances into account and authorises 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.

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

₹ million

	USD	EUR	GBP	Others*
Net financial assets	9,260.78	413.66	1,645.85	769.61
Net financial liabilities	1,455.72	-	0.35	33.40
Net assets/(liabilities)	7,805.06	413.66	1,645.50	736.21

The following table analyses foreign currency risk from financial instruments as at December 31, 2019:

₹ million

	USD	EUR	GBP	Others*
Net financial assets	5,268.08	246.50	752.91	214.71
Net financial liabilities	143.23	0.77	0.46	-
Net assets/(liabilities)	5,124.85	245.73	752.45	214.71

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company would result in the increase/ decrease in Company's profit before tax approximately by ₹ 1,060.04 million and ₹ 633.77 million for the year ended December 31, 2020 and December 31, 2019, respectively.

Notes to Standalone Financial Statements

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

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)	December 31, 2020	December 31, 2019
USD	214.72	212.02
Euro	4.40	6.60
GBP	13.20	13.60

The weighted average forward rate for the hedges outstanding as at December 31, 2020 is ₹ 78.08, ₹ 91.04 and ₹ 101.30 (As at December 31, 2019 ₹ 74.85, ₹ 89.02 and ₹ 99.14) 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 decrease / increase in Group's other comprehensive income approximate by ₹ 213.68 million and ₹ 207.70 million for the year ended December 31, 2020 and December 31, 2019, respectively.

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

₹ million

	For year ended December 31, 2020	For year ended December 31, 2019
Balance at the beginning of the year	226.06	(14.86)
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(42.25)	(111.49)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	167.51	313.13
Less : Deferred tax on CFHR	(100.64)	39.28
Balance at the end of the year	250.68	226.06

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

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, 2020, the Company had total cash, bank balance and investments of ₹ 5426.65 million (as at December 31, 2019 ₹ 827.40 million) which constitutes approximately 18% (previous year 4%) 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:

₹ million

As at December 31, 2020	Less than 1 year	1-2 years	2-5 years	Beyond 5 years	Total
Lease Liabilities (Refer note 3)	124.78	270.04	452.58	1,481.45	2,328.85
Trade and other payables	1,900.71		-	-	1,900.71
Foreign currency derivative liabilities	34.06	18.18	-	-	52.24
Others (Refer note 14B)	1,180.37	2.30	-	-	1,182.67
Total	3,239.92	290.52	452.58	1,481.45	5,464.47

Notes to Standalone Financial Statements

₹ million

As at December 31, 2019	Less than 1 year	1-2 years	2-5 years	Beyond 5 years	Total
Trade and other payables	776.46	-	-	-	776.46
Foreign currency derivative liabilities	66.79	31.40	-	-	98.19
Others (Refer note 14B)	1,011.50	3.35	-	-	1,014.85
Total	1,854.75	34.75	-	-	1,889,50

Interest rate risk

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

Capital management

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

23. Earnings per share

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

	For year ended December 31, 2020	For year ended December 31, 2019
Net profit after tax (₹ million)	5,381.77	5,075.33
Weighted average outstanding equity shares considered for basic EPS (Nos.)	29,92,50,005	29,80,38,633
Basic earnings per share (In ₹)	17.98	17.03
Weighted average outstanding equity shares considered for basic EPS (Nos.)	29,92,50,005	29,80,38,633
Add : Effect of dilutive issue of stock options (Nos.)	40,41,543	38,61,769
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	30,32,91,548	30,19,00,401
Diluted earnings per share (In ₹)	17.74	16.81
Par value per share	2.00	2.00

24. 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
HT Global Holdings B.V.	Netherlandss
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 (7)	China

Notes to Standalone Financial Statements

Name of the Related Parties	Country
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
Mobiquity Inc (2)	USA
Mobiquity Velocity Solutions, Inc (3)	USA
Mobiquity Velocity Cooperative UA (3)	Netherlands
Mobiquity BV (4)	Netherlands
Morgan Clark BV (4)	Netherlands
Mobiquity Softech Private Limited (5)	India
Montana Merger Sub Inc. (6)	USA
Hexaware Technologies South Africa (Pty) Ltd (8)	South Africa
Associate	
Experis Technology Solutions Pte Ltd (9)	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. P R Chandrasekar	
Mr. Dileep Choksi (Retired on October 16, 2019)	
Mr. Bharat Shah (Retired on October 16, 2019)	
Ms. Meera Shankar (Retired on April 10, 2020)	
Mr. Basab Pradhan (Retired on June 8, 2019)	
Mr. Christian Oecking (Retired on June 25, 2019)	
Mr. Milind Shripad Sarwate (w.e.f. April 25, 2020)	
Ms. Madhu Khatri (w.e.f. April 25, 2020)	
Mr. Rajeev Kumar Mehta (w.e.f. October 05, 2020)	

Notes:

1. Subsidiary of Hexaware Technologies UK Ltd.
2. Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Inc.
3. Subsidiary of Mobiquity Inc.
4. Subsidiary of Mobiquity Velocity Cooperative UA
5. Acquired on June 13, 2019, Subsidiary of Hexaware Technologies Limited
6. Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019
7. Closed on August 31, 2020
8. Formed on November 25, 2019, Subsidiary of Hexaware Technologies UK Ltd
9. Associate of Hexaware Technologies Asia Pacific Pte Ltd -Ceased w.e.f., 8th Dec 2020

Notes to Standalone Financial Statements

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

₹ million

Nature of transactions	Name of the Related party and Relationship	Year ended December 31, 2020	Year ended December 31, 2019
Investment made	**Subsidiaries**		
	Mobiquity Softtech Private Limited	-	401.17
	Hexaware Information Technologies (Shanghai) Company Limited	5.35	-
	Hexaware Technologies Nordic AB	7.32	-
		12.67	401.17
Corporate Guarantee Given	**Subsidiaries**		
	Hexaware Technologies Inc.	-	7923.74
	Hexaware Technologies Nordic AB	36.54	-
		36.54	7923.74
Impairment in value of Investment	**Subsidiaries**		
	Guangzhou Hexaware Information Technologies Company Limited	2.00	-
		2.00	-
Software and consultancy income	**Subsidiaries**		
	Hexaware Technologies Inc.	2,122.96	9977
	Hexaware Technologies UK Ltd.	2,792.16	1920.59
	Others	1,018.87	650.41
		5,933.99	12,548.00
	Associate		
	Experis Technology Solutions Pte Ltd	147.74	167.24
		147.74	167.24
Software and development expenses - subcontracting charges	**Subsidiaries**		
	Hexaware Technologies Inc.	700.69	154.92
	Others	123.14	1.13
		823.83	156.05
Reimbursement of cost to	**Subsidiaries**		
	Hexaware Technologies UK Ltd.	3.70	25.58
	Hexaware Technologies Inc.	13.18	12.77
	Others	1.74	7.59
		18.62	45.94
Recovery of cost from	**Subsidiaries**		
	Hexaware Technologies Inc.	359.34	362.69
	Hexaware Technologies UK Ltd.	174.21	341.76
	Mobiquity Inc.	116.36	47.92
	Others	54.18	101.11
		704.09	853.48
Corporate Guarantee Charges	**Subsidiaries**		
	Hexaware Technologies Inc.	15.66	10.19
		15.66	10.19

Notes to Standalone Financial Statements

₹ million

Nature of transactions	Name of the Related party and Relationship	Year ended December 31, 2020	Year ended December 31, 2019
Dividend Received	Subsidiaries		
	Hexaware Technologies Asia Pacific Pte Ltd	440.78	-
		440.78	-
Remuneration to KMP			
	Short term employee benefits	5.06	5.03
	Post employee benefits	0.14	0.13
	Share based payment	56.54	52.33
	Commission and other benefits to non-executive directors	22.38	33.2
		84.12	90.69

Notes:
Provision is made for the commission for the year ended December 31, 2020, payment of which is subject to adequacy of profits to be determined annually.

Outstanding Balances

₹ million

Name of the Related party and Relationship	As at December 31, 2020	As at December 31, 2019
Subsidiaries		
Investment in equity (Including share application money) (Refer note no 6)	2306.58	2295.91
	2,306.58	2,295.91
Trade and other receivable		
- Hexaware Technologies Inc	3,672.70	5,137.53
- Others	2,463.81	1,002.24
	6,136.51	6,139.77
Trade payable - towards services and reimbursement of cost		
- Hexaware Technologies Inc	700.92	103.78
- Others	166.11	32.12
	867.03	135.90
Corporate Guarantee		
- Hexaware Technologies Inc	8,110.77	7,923.74
- Hexaware Technologies Nordic AB	36.54	-
	8,147.31	7,923.74
Trade receivable from Associate	12.53	57.67
Payable to / Provision for KMP's	19.83	16.52

25. Share Based Compensation

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

Notes to Standalone Financial Statements

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

Particulars	ESOP - 2008 Options/ RSU's (nos.)	ESOP - 2008 Weighted ex. Price per share (₹)	ESOP - 2015 RSU's (nos.)	ESOP - 2015 Weighted ex. Price per share (₹)	Total Options/ RSU's (nos.)	Total Weighted ex. Price per share (₹)
Outstanding at the beginning of the year	18,45,716	2.00	59,78,723	2.00	78,24,439	2.00
	(25,04,955)	(2.00)	(61,82,369)	(2.00)	(86,87,324)	(2.00)
Granted during year	-	-	13,22,141	2.00	13,22,141	2.00
	-	-	(18,27,746)	(2.00)	(18,27,746)	(2.00)
Exercised during the year	5,26,315	2.00	14,19,819	2.00	19,46,134	2.00
	(1,89,450)	(2.00)	(8,33,882)	(2.00)	(10,23,332)	(2.00)
Lapsed during the year	8,76,049	2.00	12,98,698	2.00	21,74,747	2.00
	(4,69,789)	(2.00)	(11,97,510)	(2.00)	(16,67,299)	(2.00)
Outstanding at the year end	4,43,352	2.00	45,82,347	2.00	50,25,699	2.00
	(18,45,716)	(2.00)	(59,78,723)	(2.00)	(78,24,439)	(2.00)
Exercisable as at the year end	1,83,844	2.00	8,07,960	2.00	9,91,804	2.00
	(1,61,820)	(2.00)	(6,68,482)	(2.00)	(8,30,302)	(2.00)

Previous year figures are given in bracket

c) The weighted average share price of options exercised on the date of exercise was ₹ 336.45 per share and ₹ 349.68 per share for the year ended December 31, 2020 and December 31, 2019 respectively.

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

₹ million

Range of exercise price	As at December 31, 2020 Options/ RSU's (Nos)	As at December 31, 2020 Life	As at December 31, 2019 Options/ RSU's (Nos)	As at December 31, 2019 Life
2	50,25,699	28	78,24,439	32
Total	50,25,699		78,24,439	

e) The fair values of the RSU's granted in year 2020 and 2019 are determined using Black Scholes Option pricing model using following assumptions:

Particulars	Year 2020	Year 2019
Weighted Average fair value (₹)	353.50	343.93
Weighted Average share price (₹)	373.30	369.20
Dividend Yield (%)	1.70 - 2.16	2.16 - 2.48
Expected Life (years)	1.14 - 3.55	1.39 - 5.85
Risk free interest rate (%)	3.88 - 6.50	5.97 - 7.22
Volatility (%)	31.70 - 47.98	35.24 - 41.16

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

26. Employee benefit plans

i) Provident Fund, Superannuation Fund and Other Similar Funds

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In respect of the Company's employees enrolled with the Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'), the Company pays a part of the contributions to the Trust. The remaining portion

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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.

₹ million

Particulars	December 31, 2020	December 31, 2019
Present value of benefit obligation	5,066.73	4,234.02
Fair value of plan assets	4,874.86	4,124.22
Expected Investment Return	8.02%	8.47%
Remaining term of maturities of plan assets	6.54 years	6.19 Years
Expected guaranteed interest rates	8.50%	8.65%

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

During the year, the Company has recognised expenses towards contributions to provident fund and other funds and superannuation funds of ₹ 543.28 million (Previous year ₹ 497.66 million) and ₹ 29.51 million (Previous year ₹ 17 million), 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.

The following table sets out the status of the gratuity plan for the year ended December 31:

₹ million

Particulars	2020	2019
Change in Defined Benefit Obligation		
Opening defined benefit obligation	942.37	717.73
Current service cost	213.91	142.23
Interest cost	57.63	47.63
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	105.02	35.46
- Actuarial loss/(gains) arising from change in demographical assumptions	-	3.22
- Actuarial loss/(gains) arising on account of experience changes	(23.61)	62.08
Benefits paid	(72.39)	(65.97)
Closing defined benefit obligation	**1,222.94**	942.37

Notes to Standalone Financial Statements

₹ million

Particulars	2020	2019
Change in the Fair Value of Assets		
Opening fair value of plan assets	599.04	563.90
Interest on plan assets	38.27	40.10
Remeasurement due to actual return on plan assets less interest on plan assets	9.61	28.59
Contribution by employer	12.51	32.42
Benefits paid	(72.39)	(65.97)
Closing fair value of plan assets	**587.04**	599.04
Net liability as per actuarial valuation	**635.90**	343.33
Expense charged to statement of profit and loss:		
Current service cost	213.91	142.23
Net Interest on defined benefit plan	19.36	7.53
Total Included in Employment expenses	**233.27**	149.75
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	105.02	35.46
- changes in demographical assumptions	-	3.22
- Experience adjustments	(23.61)	62.08
- Actual return on plan assets less interest on plan assets	(9.61)	(28.59)
Total amount recognised in other comprehensive income	**71.81**	72.16
Actual return on plan assets	47.87	68.69
Category of assets - Insurer Managed Fund #	587.04	599.04

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

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

Financial assumptions at the valuation date	Year 2020	Year 2019
Discount rate	5.15%	6.60%
Rate of increase in compensation levels of covered employees *	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.25%	7.25%

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

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

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

Impact on defined benefit obligation	December 31, 2019	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(2.92%)	3.03%
Decrease in 50 bps	3.08%	(2.90%)

Notes to Standalone Financial Statements

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	₹ million
Year 1	160.52
Year 2	149.55
Year 3	145.07
Year 4	139.47
Year 5	121.43
Year 6	117.72
Year 7	106.47
Year 8	109.41
Year 8	95.46
Thereafter	635.40

The weighted average duration to the payment of these cash flows is 6.41 years.

27. Segments

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

28. Corporate Social Responsibility

a) Gross Amount required to be spent by the Company during the year is ₹ 109.80 million (Previous year ₹ 99.63 million)

b) Amount spent during the year on :

₹ million

Sr. No.	Particulars	Amount Paid	Amount yet to be paid	Total
1	Construction/ acquisition of any asset	-	-	-
		(-)	(-)	(-)
2	On purpose other than (1) above	109.94	-	109.94
		(99.64)	(-)	(99.64)

Previous years figures are given in bracket

29. Contingent liabilities and commitments

29.1 Contingent liabilities

Claims not acknowledged as debt ₹ 28.14 million (₹ 28.14 million as at 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.

29.2 Claims for taxes on income where company is in appeal

Income tax demands of ₹ 9.59 million (₹ 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.

Notes to Standalone Financial Statements

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.

29.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ 226.43 million (₹ 171.51 million as on December 31, 2019)

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

₹ million

Particulars	As at December 31, 2020	As at December 31, 2019
Amount due to vendor	7.86	13.34
Principal amount paid (includes unpaid beyond the appointed date)	-	
Interest due and paid /payable for the year	-	-
Interest accrued and remaining unpaid	-	-

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

31. 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.

32. COVID pandemic:

The Company has assessed the impact on the recoverability of the receivables (including unbilled) and other current and non-current assets including goodwill considering both internal and external information available till date. It has also assessed, the probability of occurrence of forecasted transactions in the hedging relations, credit risk of the counter party to the derivative contracts and banks. The Company, based on the analysis 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.

33. The Indian government has recently promulgated the Code on Social Security, 2020 ("Code") relating to various employee benefits including post-employment benefits. The effective date of the said Code is yet to be notified and rules for quantifying the financial impact are yet to be framed. The impact shall be assessed once the relevant rules thereunder are prescribed and it shall be recorded in the financial statements once the Code becomes effective

34. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification/ disclosures.

Notes to Standalone Financial Statements

35. Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to these standalone financial statements except the matter mentioned below.

The Board of Directors, at its meeting held on February 11, 2021 has declared final dividend of ₹ 3.50/- per equity share (175%). This would result in cash outflow of ₹ 1,051.16 million.

36. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on February 11, 2021.

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
Hexaware Technologies Limited
(CIN: L72900MH1992PLC069662)

Rajesh Mehra **Partner** Membership number: 103145	**Rajeev Kumar Mehta** **(Chairman)** (DIN-08897689)	**Jimmy Mahtani** **(Vice Chairman)** (DIN-00996110)	**R. Srikrishna** **(CEO & Executive Director)** (DIN 03160121)	**Milind Sarwate** **(Director)** (DIN-00109854)	**Atul K Nishar** **(Chairman Emeritus)** (DIN-00307229)
Place: Mumbai Date: 12 February 2021	**Madhu Khatri** **(Director)** (DIN-00480442)	**P R Chandrasekar** **(Director)** (DIN-02251080)	**Kosmas Kalliarekos** **(Director)** (DIN-03642933)	**Vikash Kumar Jain** **(Chief Financial Officer)**	**Gunjan Methi** **(Company Secretary)** Date: 11 February 2021

Notice

Notice is hereby given to all the members of Hexaware Technologies Limited (the "Company") that the Twenty Eighth Annual General Meeting of the Members of the Company will be held on Thursday, April 22, 2021 at 9.00 a.m. via video conferencing / other audio visual means ("VC/OAVM") to transact the following business:

Ordinary Business:

Item no 1 – Adoption of Financial Statements
To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended December 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

Item no 2 – To confirm interim dividends
To confirm the Interim Dividends on equity shares.

Item no 3 - Re-appointment of Mr. Jimmy Mahtani
To appoint a Director in place of Mr. Jimmy Mahtani, (DIN: 00996110), who retires by rotation, and being eligible, seeks re-appointment

Special Business:

4. **Appointment of Mr. Rajeev Kumar Mehta as a Non-Executive Independent director**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajeev Kumar Mehta (holding DIN 08897689), a non-executive Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for three years w.e.f. October 5, 2020 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

By Order of the Board of Directors

For Hexaware Technologies Limited

Sd/-

Gunjan Methi
Company Secretary

Date : February 11, 2021
Place: Navi Mumbai

Registered Office:
152, Millennium Business Park, Sector-III, 'A' Block,
TTC Industrial Area, Mahape,
Navi Mumbai - 400 710.
CIN :L72900MH1992PLC069662
Email:Investori@hexaware.com
Website: www.hexaware.com
Tel : 022 - 67919595
Fax : 022 – 67919578

Notes:

1. In view of continuing Covid-19 pandemic, the Ministry of Corporate affairs ('MCA') has wide its circular dated May 5, 2020 read with circular dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of members at the common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), and MCA circulars, the AGM of the Company is being held through VC / OAVM. The Board of Directors of the Company considered that the special business under Item No. 4, being considered unavoidable, be transacted at the 28th AGM of the Company.

   The 28th Annual General Meeting shall be deemed to be held at Registered office address of the Company.

2. The Explanatory Statement for item no. 4, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice. The relevant details of persons seeking appointment / re-appointment as Directors under Item No. 3 and 4 of the Notice, are also annexed to the Notice / Corporate Governance Report.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. Shareholders are requested to intimate the change in their address, if any, quoting the folio number/ DPID Client ID and are requested to register their e-mail address and changes therein with the Depositories/ Registrar and Share Transfer Agent.

5. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL on all resolutions set forth in this Notice. The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not casted their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on April 15, 2021 are entitled for remote e-voting on the Resolutions set forth in this Notice.

6. The process and manner for e-voting and process of joining meeting through video conferencing alongwith other details also forms part of the Notice.

7. The Register of Directors' Shareholding maintained under Section 170 of Companies Act, 2013 and other documents mentioned in the notice will be available for inspection in electronic mode by the Members between 11.00 a.m. and 1.00 p.m. from Monday to Friday, from the date hereof upto the date of the Meeting by sending an email to Investori@hexaware.com

8. Those Members who have so far not encashed their dividend warrants for the financial year 2014 onwards, may approach the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited, for making their claim without any further delay as the said unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act. Further, the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" prescribe for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years to IEPF. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on our website: www.hexaware.com

9. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

10. A sum of ₹ 1,24,63,537/- (Rupees One Crore Twenty Four Lakh Sixty Three Thousand Five Hundred and Thirty Seven) has been transferred to the Investor Education and Protection Fund in FY 2020 towards unclaimed/unpaid dividend for the year 2013 comprising three dividend accounts.

11. Members holding shares in physical mode are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise, by filling up Form No. SH-13. The shareholders are requested to avail of this facility. The duly filled in and signed nomination Form No. SH-13 should be sent to the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited at the address mentioned elsewhere in the in this Report.

12. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS/ ECS mandates, nominations, power of attorney, change of address/name, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agent to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice such changes to the Company's Registrar and Transfer Agent, KFin Technologies Private Limited.

13. Members are requested to:

    a. Intimate to the Company's Registrar and Share Transfer Agent/Depository Participant, changes, if any, in their respective addresses along with Pin Code number at an early date.

    b. Quote folio numbers/DP ID – Client ID in all their correspondence.

    c. Consolidate holdings into one folio in case of multiplicity of folios with names in identical order.

    d. Update Bank details and PAN number with the Registrar and Share Transfer Agent / Depository Participant to avail receipt of dividend by ECS/ NECS facility.

14. Non-Resident Shareholders are requested to inform the Company immediately about:

    a. The change in the Residential Status on return to India for permanent settlement;

    b. The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

15. Corporate Members are requested to send a duly certified copy of the board resolution authorising their representative to vote during the Annual General Meeting.

16. Mr. S.N.Ananthasubramanian (FCS 4206, COP 1774), Senior Partner, S. N. Ananthasubramanian & Co, Practicing Company Secretaries or failing him, Ms. Malati Kumar (ACS 15508, COP 10980) Partner, S. N. Ananthasubramanian & Co, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

17. In compliance with the MCA Circulars, Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc are being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.hexaware.com, and on the website of NSDL https://www.evoting.nsdl.com

    It is encouraged that members update their email address registered with RTA / Depository to ensure that all communication sent by the Company are received at the desired email address.

18. Re-appointment of Directors: At the ensuing Annual General Meeting, Mr. Jimmy Mahtani, Non – Executive Director of the Company retires by rotation and being eligible offers himself for re-appointment.

    Mr. Rajeev Kumar Mehta is being appointed as Independent Director of the Company for a period of three years with effect from October 5, 2020. He is not related to any of the Directors of the Company. The information in terms of Secretarial Standard for General Meeting pertaining to Mr. Jimmy Mahtani and Mr. Rajeev Kumar Mehta is annexed to the Notice of AGM.

19. The appointment of M/s. BSR & Co. LLP, Chartered Accountants, Mumbai with Registration no. 101248W/ W-100022 for a period of 5 years, to hold office till the conclusion of 30th Annual General Meeting subject to ratification at every Annual General Meeting, was confirmed by the members in the 25th Annual General Meeting held on May 03, 2018.

    Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the AGM.

20. Pursuant to Finance Act, dividend income will be taxable in the hands of shareholders w.e.f April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rate. For the prescribed rates of various categories, the shareholders are requested to refer the Finance Act and amendments thereof. The shareholders are requested to update their PAN with the Company /RTA (In case shares are held in physical mode) and depository (in case shares are held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, available on the website of the Company www.hexaware.com to avail the benefit of non-deduction of tax at source by email to Investori@hexaware.com. Resident Shareholders are requested to note that in case their PAN is not registered or if the PAN provided to the company is invalid, the tax will be deducted at a higher rate of 20%. All communication by the resident shareholders should include PAN details and should be signed by the shareholders.

    Non-resident shareholders (including Foreign Portfolio Investors & Foreign Institution Investors from 01 April 2021 onwards) can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to Investori@hexaware.com. Please refer detail note on website of the Company www.hexaware.com for further details.

21. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

22. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting during AGM on the date of the AGM will be provided by NSDL.

24. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hexaware.com. and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular no. 02/2021 dated January 13, 2021.

25. The Company has delisted its Shares from the stock exchanges BSE Ltd and National Stock Exchange of India Limited w.e.f. November 9, 2020. As per the delisting rules, residual shareholders can tender their shares to promoters at the exit price of ₹ 475 for a period of one year from the date of delisting i.e. till November 8, 2021. The exit offer document with all the details of tendering shares to the promoters is available on the website of the company.

The Instructions for members for remote e-Voting are as under:

I. The remote e-voting period commences on April 19, 2021 (9:00 am) and ends on April 21, 2021 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of April 15, 2021, may cast their vote by remote e-voting.

II. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

A person who is not a Member as on the cut-off date should treat this Notice of 28th AGM for information purpose only.

VI. Mr. S.N.Ananthasubramanian (FCS 4206, COP 1774), Senior Partner, M/s. S. N. Ananthasubramanian & Co, Practicing Company Secretaries or failing him, Ms. Malati Kumar (ACS 15508, COP 10980) Partner, M/s. S. N. Ananthasubramanian & Co, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by the board, who shall countersign the same.

VIII. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.hexaware.com and on the website of NSDL https://www.evoting.nsdl.com immediately.

The details and instructions form integral part of the Notice of Annual General Meeting (AGM) to be held on April 22, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to scrutinzer@snaco.net with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager or Ms. Sarita Mote Deputy Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-22- 24994545 who will also address the grievances connected with the voting by electronic means

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice, updation of bank details:

1. In case shares are held in physical mode please send request letter at Investori@hexaware.com duly signed by registered member providing Folio No., Name of shareholder, email id, mobile number, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) or any document (such as Driving Licence, Bank Statement, Election Card, Passport) for registering email address.
2. Following additional details need to be provided in case of updating Bank Account Details:
   a) Name and Branch of the Bank in which you wish to receive the dividend,
   b) the Bank Account type,
   c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions
   d) 9 digit MICR Code Number, and
   e) 11 digit IFSC Code
   f) a scanned copy of the cancelled cheque bearing the name of the first shareholder
3. In case shares are held in demat mode, please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP

Instructions for members for e-Voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same as mentioned above for Remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions may send their questions in advance from their registered email id mentioning their name, demat account number/folio number, mobile number at Investori@hexaware.com. The same will be replied by the company suitably. Members, who would like to ask questions during the 28th AGM with regard to the financial statements or any other matter to be placed at the 28th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address - Investori@hexaware.com in advance by Saturday, April 17, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

EXPLANATORY STATEMENT FOR ITEM NOS. 3 and 4 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3:

Director, Mr. Jimmy Mahtani, (DIN: 00996110), retires by rotation, and being eligible, seeks re-appointment. Kindly refer the annexure to the Notice for information in respect of re-appointment of Mr. Jimmy Mahtani, pursuant to the Secretarial Standard on General Meetings. Your Directors recommend the resolution for approval of members.

Except Mr. Jimmy Mahtani, none of the Directors and Key Managerial Personnel of the Company are concerned or interested in the proposed item no. 3.

Item no. 4:

The Board of Directors, pursuant to the recommendation of the Nomination & Remuneration Committee and provisions of Section 161 of the Act and applicable rules made thereunder appointed Mr. Rajeev Kumar Mehta (DIN 08897689) as an Additional Director in the capacity of an Independent Directors holding office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Rajeev Kumar Mehta as an Independent Director of the Company.

The Nomination & Remuneration Committee has recommended, and the Board has approved the appointment of Mr. Rajeev Kumar Mehta as an Independent Director as per the letter of appointment for a period of three years from October 5, 2020.

Mr. Rajeev Kumar Mehta has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of Companies Act, 2013. In the opinion of the Board, Mr. Rajeev Kumar Mehta fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Rajeev Kumar Mehta as an Independent Director is now being placed before the Members for their approval.

Vast experience of Mr. Rajeev Mehta in various areas, will help the Company to decide future business strategies for growth of the Company. All the relevant documents, contracts including the terms and conditions of appointment of Mr. Rajeev Kumar Mehta as an Independent Director of the Company shall be open for inspection in electronic mode by the Members between 11.00 a.m. and 1.00 p.m. from Monday to Friday, from the date hereof upto the date of the Meeting by sending an email to Investori@hexaware.com.

Kindly refer annexure to Notice for the information of Mr. Rajeev Kumar Mehta in terms of the Secretarial Standard for General Meeting.

A brief profile of the Mr. Rajeev Kumar Mehta is given below:

Mr. Rajeev Mehta is a pioneer and innovator in global IT solutions and consulting. He served as President of Cognizant, one of the world's leading professional services Company. He joined the company when it was a small regional firm and was an integral part of the leadership team that took it to more than $16 billion in revenue. During his tenure at Cognizant, he held a variety of leadership roles, including Group Chief Executive Officer, IT Services, and Group Chief Executive, Industries and Markets, among others.

Mr. Mehta was born in Chandigarh, India and moved to the US when he was five. He currently serves as an advisor to several private equity firms as well as a board member in companies. He has a Bachelor's Degree from the University of Maryland, and an MBA from Carnegie Mellon University. He holds Board positions in Qualitest, Raviture and Ciklum.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except Mr. Rajeev Kumar Mehta, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out as Item no. 4 of the Notice.

By Order of the Board of Directors

For Hexaware Technologies Limited

Sd/-

Gunjan Methi
Company Secretary

Date: February 11, 2021
Place: Navi Mumbai

Registered Office:
152, Millennium Business Park, Sector-III, 'A' Block,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
CIN : L72900MH1992PLC069662
Email: Investori@hexaware.com
Website: www.hexaware.com
Tel : 022 - 67919595
Fax : 022 – 67919578

Details required under secretarial standard on General Meetings with respect to Mr. Rajeev Kumar Mehta and Mr. Jimmy Mahtani are given below :

Name of the Director	Mr. Rajeev Kumar Mehta	Mr. Jimmy Mahtani
Brief Resume	Mr. Rajeev Mehta is a pioneer and innovator in global IT solutions and consulting.	Mr. Jimmy Mahtani is a Managing Director with Baring Private Equity Asia and is primarily responsible for Baring Private Equity's investments in India and South East Asia.
Experience / Expertise	He joined Cognizant when it was a small regional firm and was an integral part of the leadership team that took it to more than $16 billion in revenue. During his tenure at Cognizant, he held a variety of leadership roles, including Group Chief Executive Officer – IT Services, and Group Chief Executive Officer – Industries and Markets, among others	Mr. Jimmy Mahtani has been with Baring since 2006 and has led investments in infrastructure, education, financial services and consumer goods companies. He was previously a Vice President with General Atlantic Partners in Mumbai and he was responsible for India investments with a focus on the technology and financial services sectors.
Age	54	44
Date of Birth	October 25, 1966	October 27, 1976
Date of First Appointment	October 05, 2020	October 11, 2013
Qualification	He has a Bachelor's Degree from The University of Maryland, and an MBA from Carnegie Mellon University	Mr. Jimmy Mahtani graduated with honours from Georgetown University, where he received a B.Sc. in Business Administration with a triple major in Finance, International Business and Marketing
Relationship between Directors inter-se and with Manager and other KMPs	Mr. Rajeev Kumar Mehta is not related to any other Director, Manager and other KMPs of the Company.	Mr. Jimmy Mahtani is not related to any other Director, Manager and other KMPs of the Company.
Name of listed Companies in which he/ she is Director and the Membership of Committees of the Board	Mr. Rajeev Kumar Mehta is not holding Directorship in any other listed company. Mr. Rajeev Kumar Mehta is holding membership in the following committees of Hexaware Technologies Limited : 1. Audit Committee 2. Nomination & Remuneration Committee 3. Stakeholders Relationship Committee	Mr. Jimmy Mahtani is not holding Directorship in any other listed company. Mr. Jimmy Mahtani is holding membership in the following committees of Hexaware Technologies Limited : 1. Audit Committee 2. Nomination & Remuneration Committee 3. Stakeholders Relationship Committee 4. Corporate Social Responsibility Committee 5. Strategy and Risk Committee
Shareholding	NIL	NIL

Name of the Director	Mr. Rajeev Kumar Mehta	Mr. Jimmy Mahtani
Terms and condition of appointment	Appointment as an Independent Director for a period of 3 years	Re-appointment as a director liable to retire by rotation
Details of remuneration sought to be paid	Sitting fees and commission	Not applicable
Details of remuneration last drawn	Not Applicable	Not Applicable
Meeting attended during the year	Number of meetings attended are provided in the Corporate Governance report section of the Annual Report 2020.	Number of meetings attended are provided in the Corporate Governance report section of the Annual Report 2020.

Contact Us

United States
NA Head Office
101 wood Avenue South,
Suit 600, Iselin,
New Jersey 08830, USA
Tel. : 609-409-6950
Fax : 609-409-6910

Development Center
Alpharetta
Lakeview I, 1105 Lakewood Parkway,
Suite 485, Alpharetta, GA 30004
Tel. : 678-906-2931

Reston
12700 Sunrise Valley Dr.,Suite 105
Reston, VA 20191
Tel. : 571-526-2650

Atlanta
5775 Peachtree Dunwoody Road,
Suit 600, Atlanta, GA 30342
Tel. : 404-751-5500

Canada
2 Robert Speck Parkway, Sute # 750
Mississauga, Ontario L4Z 1 H8

Mexico
Av. San Angel # 240, Piso 3,
Valle San Agustin, Saltillo, Coahuila,
Mexico, C.P. 25215
Tel.: +52(844) 8961180
Fax: +52 (844) 8960001

Calle Washington # 1400
Zona Centro C.P. 64000
Monterrey, N.L. Mexico

Av. Eugenio Garza Sada Sur # 1892
Sin nombre de Col. 42 CP 64740
Monterrey, N.L. Mexico

Paseo de los Virreyes # 45
Puerta de Hierro C.P. 45116
Zapopan, Jal. Mexico

Russia
Building 7, Industrialnaya Street,
Tverskaya obl, Tver,
Russian Federation - 170100

United Kingdom
Level 19
40 Bank Street,
London E14 5NR
Tel.: +44 (0)2077 154 100
Fax: +44 (0)2077 154 101

Germany
Mainzer Landstr. 33
60329 Frankfurt am Main
Germany
Tel: + 49 (0)69 244 50 66-0
Fax: +49 (0)69 244 50 66-99

Poland
Adgar Plaza building, 2th floor,
ul. Postępu 17A,
02-676 Warszawa,
Poland

France
37 rue Collange
92300 Levallois Perret
Paris, France

Netherlands
Holland office center,
Building No.2, Kruisweg 823,
2132 NG, Hoofddorp,
The Netherlands
Tel.: + 31 23 5570962
Fax: +3123 557 5538

Switzerland
Chemin Frank Thomas
34 -1208 GENEVA
Case Postale 6550
1211 Geneva 6
Switzerland

Austria
Am Heumark 13,
1030 VIENNA,
AUSTRIA

Spain
C SANTALO 10 PLANTA 1,
08021 BARCELONA,
SPAIN

Latvia
Dignajas iela 3C - 16A
Riga LV-1004, LATVIA

Sweden
Tellusvagen 5 A,
186 36 Vallentuna
Stockholm
Sweden

Belgium
Regus Brussels Central Station
Rue des Colonies 11
1000 Bruxelles
Belgium

Estonia
Jõe 2b, Kesklinna linnaosa,
Harju maakond
10151 Tallinn
Estonia

Singapore
#09-01,
One Finlayson Green, 1 Finlayson Green
Singapore-049246

Japan
6F VORT Kanda,
1-3-1, Kaji-cho Chiyoda-ku,
Tokyo 101-0044, Japan
Tel.: +81-3258-5162
Fax: +81-3-3258-5163

Australia
Level 3, 80 Mount Street, North Sydney,
NSW, Australia - 2060

South Africa
13th Floor, Pier Place,
31 Heerengracht Street
Cape Town, 8001,
South Africa

United Arab Emirates
P.O. Box No.: 293808,
Dubai Airport Free Zone,
Dubai, UAE
Tel.: +971 47017298
Fax: +971 47017299

Second Floor, Al Fardan Building,
Al Mankhool, PO Box No 116042, Dubai , UAE
Tel :, +97142629575, +97142965283

Saudi Arabia
Office No. 406 - A, Al Olaya Mazaya Tower
Po Box No. 295126
Riyadh No. 11351
Kingdom of Saudi Arabia

China (Shanghai)
Room 202, Block 1 No.255,
Meisheng Road,
China (Shanghai) Free Trade Area.

Hong Kong
RM1906, 19/F, Lee Garden one,
33, Hysan Avenue Causeway Bay,
Hong Kong

Philippines
16F The Curve Bldg
Bonifacio Global City
Taguig City 1634 PH

India
Mumbai
Registered Office
152, Millennium Business Park,
Sector -III, 'A' Block,
TTC Industrial Area, Mahape,
Navi Mumbai - 400 710.
Tel.: +91-22-67919595
Fax: +91-22-67919500

Bldg I, Millennium Business Park,
Sector -III, 'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai - 400 710.
Tel.: +91-22-6756 1000
Fax: +91-22-2778 2322

157, Millennium Business Park, Sector - III,
'A' Block, TTC Industrial Area, Mahape,
Navi Mumbai - 400 710.

Hexaware - BPS
Bldg No.3, Sector - II, 'A' Block,
Millennium Business Park,
TTC Industrial Area, Mahape,
Navi Mumbai - 400 710.
Tel.: +91-22-2778 3300
Fax: +91-22-2778 2370

Unit No.8, Block No.01, Q1, 8th Floor,
M/s. Loma Co-Developers 1 Pvt Ltd,
Plot No.Gen-4/1, TTC Industrial Area,
Thane-Belapur Road, Ghansoli,
Navi Mumbai 400 710.

Unit No.2, Block No.01, Q1, 6th & 7th Floor,
M/s. Loma Co-Developers 1 Pvt Ltd,
Plot No.Gen-4/1, TTC Industrial Area,
Thane-Belapur Road, Ghansoli,
Navi Mumbai 400 710.

Hexaware - Mumbai SEZ
Unit No. I, Block No.01, Q1, 9th Floor,
M/s. Loma Co-Developers 1 Pvt Ltd.,
Plot No.Gen-4/1, TTC Industrial Area,
Thane-Belapur Road, Ghansoli,
Navi Mumbai - 400 710.

Unit No. I, Block No.01, Q1, 6th and 7th Floor,
M/s. Loma Co-Developers 1 Pvt Ltd,
Plot No.Gen-4/1, TTC Industrial Area,
Thane-Belapur Road, Ghansoli,
Navi Mumbai - 400 710.

Pune
Plot No. 19, Rajiv Gandhi Infotech Park,
MIDC - SEZ, Hinjewadi, Phase III,
Pune - 411 057.
Tel.: +91-020-4212 8000
Fax: +91-020-4212 8500

Nagpur
Hexaware - BPS
Survey No. (Part) 38,39,41,42 and 43
in Village Khapri & Dahegoan,
MIHAN, SEZ-MADC. Nagpur - 441 108.
Tel.: +91-7104-660800
Fax: +91-7104-660801

Chennai Campus
H5, Sipcot IT Park, Navallur Post, Siruseri,
Kancheepuram District,
Chennai - 603 103.
Tel.: +91-44 474 51 000
Fax: +91-44-2747 0111

Hexaware - BPS
5th floor, Fayola Towers, 200 Feet Road,
Pallikaranai, Chennai 600100
Tamilnadu

North Block, Phase II, IG-3 Infra Limited SEZ,
Pallavaram – Thoraipakkam 200 Ft Rd.,
Thoraipakkam,
Chennai – 600 097, Tamilnadu.
Tel.: +91-44 – 4679 1300

Bengaluru
Prestige Shantiniketan, Crescent-2, 11th Floor,
16, Whitefield Main Road,
Sadara Mangala Industrial Area,
Thigalarapaiya, Hoodi
Bengaluru- 560 048.

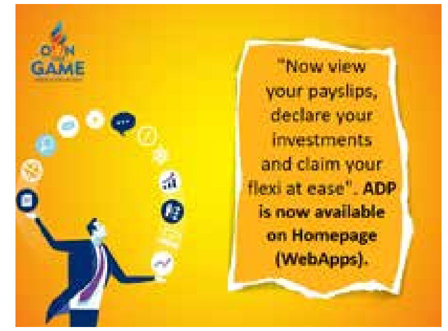
Coimbatore
Hexaware - BPS
A-3, Elysium Central, 2nd Floor, A-Wing,
Puliyakulam Road, Sungam Junction,
Opp. Carmel Garden School,
Ramanathapuram,
Coimbatore - 641 045.

Noida
1st Floor, Building No.7, M/s. Seaview
Developers Pvt. Ltd.,
IT/ITES SEZ, Plot No. 20 & 21, Sector - 135,
Noida – 201 304. Uttar Pradesh

Pune
Lower ground floor and ground floor,
South Block, Plot No. 19, Rajiv Gandhi Infotech Park,
Phase-III, MIDC - SEZ, Hinjewadi, Phase III,
Pune - 411 057.

Notes

This year we didn't just change the game.
We totally owned it.



Registered Office

152, Millennium Business Park, Sector - III, 'A' Block,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710
Tel: +91 22 6791 9595 | Fax: +91 22 6791 9578
Website: www.hexaware.com | Email: Investori@hexaware.com
CIN: L72900MH1992PLC069662

Registrar & Share Transfer Agent

KFin Technologies Private Limited
Selenium Building, Tower- B, Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi,
Telangana – 500 032.
Tel: +91 40 6716 2222 | Fax: +91 40 2342 0814
Email: einward.ris@kfintech.com | Website: www.kfintech.com

/Concept, content and design at AICL (hello@aicl.in)