

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES LIMITED**

Report on the Condensed Consolidated Financial Statements

We have audited the accompanying condensed consolidated financial statements of **HEXAWARE TECHNOLOGIES LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Condensed Consolidated Balance Sheet as at September 30, 2013, the Condensed Consolidated Statement of Profit and Loss for the quarter and nine months ended September 30, 2013 and the Condensed Consolidated Cash Flow Statement for the nine months ended September 30, 2013, and the selected Explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these condensed consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the condensed consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the

Management, as well as evaluating the overall presentation of the condensed consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

- (a) in the case of the Condensed Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2013;
- (b) in the case of the Condensed Consolidated Statement of Profit and Loss, of the profit of the Group for the quarter and nine months ended on that date; and
- (c) in the case of the Condensed Consolidated Cash Flow Statement, of the cash flows of the Group for the nine months ended on that date.

Other Matter

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 1,312.18 million as at September 30, 2013, total revenues of Rs. 941.21 million and Rs. 2,567.18 million for the quarter and nine months ended September 30, 2013 and net cash flows amounting to Rs. 827.18 million for the nine months ended on September 30, 2013, as considered in the condensed 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

R. D. Kamat
(Partner)
(Membership No. 36822)

MUMBAI, November 11, 2013

HEXAWARE TECHNOLOGIES LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER 2013

(Rupees Million)

Particulars	Note No.	As at	
		30th September 2013	31st December 2012
I. EQUITY AND LIABILITIES			
Share Holders' Funds :			
a. Share Capital	"3"	599.21	593.09
b. Reserves and Surplus	"4"	12,880.49	11,445.10
		-----	-----
		13,479.70	12,038.19
Share Application Money pending allotment			
		-	0.38
Non-current liabilities :			
a. Deferred Tax Liabilities (Net)	"5"	344.28	130.47
b. Other Long-term Liabilities	"6"	78.33	77.57
c. Long-term provisions - Employee benefits		194.03	265.68
		-----	-----
		616.64	473.72
Current liabilities :			
a. Trade Payables		590.79	532.57
b. Other Current Liabilities	"7"	1,728.21	1,755.31
c. Short-Term Provisions	"8"	681.36	984.52
		-----	-----
		3,000.36	3,272.40
		-----	-----
Total		17,096.70	15,784.69
		=====	=====
II. ASSETS			
Non-current assets :			
a. Fixed Assets :	"9"		
i) Tangible Assets		3,009.24	2,936.54
ii) Intangible Assets		1,725.24	1,506.13
iii) Capital Work-in-Progress		645.74	756.76
		-----	-----
		5,380.22	5,199.43
b. Non-current investments	"10"	4.58	4.58
c. Deferred Tax Asset (Net)	"5"	228.86	203.61
d. Long-term Loans and Advances	"11"	1,343.40	1,088.77
e. Other non-current assets	"12"	214.75	170.01
		-----	-----
		7,171.81	6,666.40
Current Assets :			
a. Current Investments	"13"	1,807.63	2,349.83
b. Trade Receivables	"14"	3,618.01	3,649.08
c. Cash and Cash Equivalents	"15"	2,901.05	1,969.01
d. Short-term Loans and Advances	"16"	482.11	508.68
e. Other Current Assets	"17"	1,116.09	641.69
		-----	-----
		9,924.89	9,118.29
		-----	-----
Total		17,096.70	15,784.69
		=====	=====
III. NOTES FORMING PART OF FINANCIAL STATEMENTS			
	"1 to 29"		

In terms of our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

R. D. Kamat
Partner.

R. V. Ramanan
(Executive Director and President Global delivery)

Dileep Choksi
(Director)

Place : Mumbai
Date : November 11, 2013

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30th SEPTEMBER 2013

(Rupees Million)

Particulars	Note No.	For the quarter ended 30th September 2013	For the quarter ended 30th September 2012	For the nine months ended 30th September 2013	For the nine months ended 30th September 2012
I. INCOME					
a. Revenue from Operations		6,210.53	5,075.15	16,653.38	14,458.97
b. Other Income	"18"	67.76	102.41	265.23	335.43
		-----	-----	-----	-----
		6,278.29	5,177.56	16,918.61	14,794.40
II. EXPENSES					
a. Software and Development Expenses	"19"	1,041.26	758.27	2,534.47	2,166.76
b. Employee benefits expense	"20"	3,175.53	2,770.84	8,914.53	7,782.63
c. Operation and Other Expenses	"21"	516.37	455.89	1,475.86	1,306.85
d. Exchange Rate difference (net)		187.23	38.56	204.42	68.18
e. Interest - Others		0.31	0.30	0.40	1.31
f. Depreciation and amortization expense	"9"	98.44	88.17	284.95	234.72
		-----	-----	-----	-----
		5,019.14	4,112.03	13,414.63	11,560.45
Profit Before Tax		1,259.15	1,065.53	3,503.98	3,233.95
Tax expense					
Income Tax - Current (net of MAT credit entitlement)		85.55	233.43	526.92	525.48
Income Tax - Deferred Charge / (Credit)		186.36	(8.62)	217.99	93.80
		-----	-----	-----	-----
		271.91	224.81	744.91	619.28
Profit for the period		987.24	840.72	2,759.07	2,614.67
		=====	=====	=====	=====
Earnings Per Share (in Rupees)	"25"				
Basic		3.30	2.84	9.26	8.86
Diluted		3.28	2.80	9.17	8.69
Face value of equity share (in Rupees)		2.00	2.00	2.00	2.00

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

"1 to 29"

In terms of our attached report of even date

For Deloitte Haskins & Sells
 Chartered Accountants

For and on behalf of the Board
R. D. Kamat
 Partner.
 Place: Mumbai
 Date : November 11, 2013

R. V. Ramanan
 (Executive Director and President
 Global delivery)

Dileep Choksi
 (Director)

Hexaware Technologies Limited
Consolidated Cash Flow Statement for the nine months ended 30th September, 2013

(Rupees Million)

	For the nine months ended 30th September 2013	For the nine months ended 30th September 2012
A Cash Flow from operating activities		
Net Profit before tax	3,503.98	3,233.95
Adjustments for:		
Depreciation, amortization and Impairment	284.95	234.72
Employees share based payment cost	(0.46)	0.53
Interest Income	(138.37)	(233.52)
Provision for doubtful accounts (net)	24.00	(0.19)
Debts and advances written off	-	8.64
Dividend from current investments	(118.64)	(34.13)
Loss / (Profit) on sale of Investments / Diminution in value of Current Investments (Net)	14.92	(0.01)
Provision for obsolete assets	7.04	-
(Profit) / Loss on sale of fixed assets (Net) / Assets Written off	(2.55)	0.57
Deferred cancellation loss relating to roll-over cash flow hedges	(1,050.65)	(401.51)
Exchange Rate Difference	25.59	91.66
Interest Expense	0.40	1.31
Operating profit before working capital changes	2,550.21	2,902.02
Adjustments for:		
Trade and other receivables	162.44	(1,002.50)
Trade and other payables	(369.46)	124.60
Cash generated from operations	2,343.19	2,024.12
Direct Taxes Paid (Net)	(668.19)	(636.19)
Net cash from operating activities	1,675.00	1,387.93
B Cash flow from investing activities		
Purchase of fixed assets	(267.78)	(551.60)
Proceeds from sale of fixed assets	9.27	0.98
Interest received (Net of tax Rs. 28.12 Million (Rs. 46.19 Million))	51.71	156.68
Purchase of Current Investments	(22,379.99)	(9,750.55)
Proceeds from Sale of Investments	22,907.28	8,852.35
Dividend from current investments	118.64	34.13
Net cash from / (used) in investing activities	439.13	(1,258.01)
C Cash flow from financing activities		
Proceeds from issue of share capital	68.62	53.90
Share Application money (adjusted) / received	(0.38)	0.25
Interest and other finance charges paid	(0.40)	(1.31)
Dividend paid (including corporate dividend tax)	(1,332.48)	(1,547.45)
Net cash used in financing activities	(1,264.64)	(1,494.61)
Net Increase / (Decrease) in cash and cash equivalents	849.49	(1,364.69)
Cash and cash equivalents at the beginning of the year	1,950.21	4,132.33
Cash and cash equivalents at the end of the period (Refer Note No. 1 below)	2,799.70	2,767.64

Notes:

1. Components of cash and cash equivalents comprise the following:
(Refer Note no. 15 of notes forming part of financial statements)

Cash and Bank Balances	2,398.38	2,208.90
'AAA' rated demand deposits with financial institutions	700.00	707.50
Effect of changes in Exchange rate in cash and cash equivalents	(101.35)	3.66
Restricted Bank Balances	(197.33)	(152.42)
Total Cash and Cash equivalents	2,799.70	2,767.64

2. Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.

3. The Previous period's figures have been regrouped wherever necessary.

In terms of our attached Report of even date

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board

R. D. Kamat
Partner

Place: Mumbai

Date : November 11, 2013

R. V. Ramanan
(Executive Director and
President Global delivery)

Dileep Choksi
(Director)

Hexaware Technologies Limited

1. Background

Hexaware Technologies Limited ("Hexaware" or the "Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in information technology consulting, software development and business process management. Hexaware provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing and services. The various service offerings comprise application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process, quality assurance and independent testing.

These condensed consolidated interim financial statements have been prepared using the same basis / accounting policies as those used for the audited financial statements for the year ended on 31st December 2012. These interim financial statements have been prepared considering the requirements of Accounting Standard 25 "Interim financial reporting".

2. Subsidiaries to consolidation

The consolidated financial statements present the consolidated accounts of Hexaware Technologies Limited with the following wholly owned subsidiaries drawn upto the same reporting date as that of the Holding Company.

Name of the Subsidiary company	Country of Incorporation
Hexaware Technologies Inc.	United States of America
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Hexaware Technologies UK Ltd.	United Kingdom
FocusFrame Europe BV	Netherland
Hexaware Technologies Asia Pacific Pte Limited.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Limited.	Canada
Caliber Point Business Solutions Ltd.	India
Risk Technology International Limited	India
Hexaware Technologies DO Brazil Ltd , Brazil (subsidiary of Hexaware Technologies UK Ltd)	Brazil
Rampran Infotech Ltd (closed w.e.f.13 th February 2013)	India

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at 30th September 2013		As at 31st December 2012	
3 SHARE CAPITAL				
a. Authorised				
325,000,000 Equity Shares of Rs. 2/- each		650.00		650.00
1,100,000 Series "A" Preference Shares Of Rs. 1421/- each (Authorised Preference share capital can be either cumulative or non cumulative with a power to the Company to convert the same into equity shares at any time.)		1,563.10		1,563.10
Total		2,213.10		2,213.10
b. Issued, Subscribed and Paid-up Capital				
Equity Shares of Rs. 2/- each Fully Paid.		599.21		593.09
Total		599.21		593.09
c. Reconciliation of number of shares				
Particulars	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	296,544,791	593.09	293,358,428	586.72
Shares Issued during the period / year	3,058,306	6.12	3,186,363	6.37
Shares outstanding at the end of the period / year	299,603,097	599.21	296,544,791	593.09
d. Details of shares held by shareholders holding more than 5% shares				
Name of Shareholder	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
Elder Infosystems Pvt Ltd. *	52,154,456	17.41	52,154,456	17.59
Elder Venture LLP *	30,568,000	10.20	30,030,000	10.13
Dali Limited	-	-	28,627,294	9.65
Parel Investment Holdings Limited	26,388,327	8.81	-	-
GA Global Investments Ltd *	21,139,580	7.06	21,139,580	7.13
JP Morgan Chase Bank, NA *	21,111,400	7.05	21,111,400	7.12
(Unregistered ADR's held by GA Global Investment Ltd.)				

* HT Global IT Solutions Holdings Ltd ("HT Global"), an affiliate of Barings Private Equity Asia completed the acquisition of 41.47% stake holding from the erstwhile promoter entities and GA Global Investments Ltd on 11th October, 2013.

- e. Shares allotted as fully paid up by way of bonus shares during five years preceding the period end**
The Company allotted 145,545,781 equity shares as fully paid up bonus shares by utilisation of Securities premium account on 2nd March, 2011 pursuant to shareholder's resolution passed in Extra Ordinary General Meeting held on 15th February, 2011
- f. Rights, preferences and restrictions attached to equity shares**
The Company has one class of equity shares having a par value of Rs. 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- g. Shares reserved for issue under options**
The Company has granted employee stock options under ESOP 2002, 2007 and 2008 scheme. Each option entitles the holder to one equity shares of Rs. 2 each. 3,143,375 (6,452,576 as at 31st December 2012) options were outstanding as on 30th September 2013.
- h. Shares application money pending allotment**
Share application money received pending allotment is Nil as at 30th September, 2013. 30,193 shares were allotted during the period in respect of the share application money received and outstanding as at 31st December, 2012 aggregating Rs. 0.38 million (including securities premium of Rs. 0.32 million).

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at	
	30th September 2013	AS AT 31st December 2012
4 RESERVES AND SURPLUS		
a Securities Premium Account		
As per last Balance Sheet	4,578.74	4,521.83
Add : Received during the period / year	62.50	53.45
Add : Transfer from Employee Stock Option outstanding	3.69	3.46
	-----	-----
	4,644.93	4,578.74
b Employee Stock Options Outstanding		
As per last Balance Sheet	4.41	8.32
Less: Reversal on forfeiture / lapse of stock options granted	0.72	0.45
Less : Transfer to Securities Premium Account on exercise of stock options	3.69	3.46
	-----	-----
	-	4.41
Less : Deferred Employee Compensation Expense	-	0.26
	-----	-----
	-	4.15
c General Reserve		
As per last Balance Sheet	1,843.19	1,491.97
Add : Transfer from Statement of Profit and Loss	-	351.22
	-----	-----
	1,843.19	1,843.19
d Hedging Reserve		
As per last Balance Sheet	(760.51)	(1,035.85)
Less: Losses transferred to statement of profit and loss on occurrence of forecasted hedge transaction (Net)	737.20	665.56
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	(1,717.88)	(390.22)
	-----	-----
	(1,741.19)	(760.51)
e Amalgamation Reserve	2.88	2.88
f Special Economic Zone Re-investment Reserve		
As per last Balance Sheet	-	-
Add : Transfer from Statement of Profit and Loss	218.10	-
	-----	-----
	218.10	-
g Currency Translation Reserve		
As per last Balance Sheet	550.90	423.61
Addition / (Deduction) during the year (Net)	508.78	127.29
	-----	-----
	1,059.68	550.90
h Balance in Statement of Profit and Loss		
As per last Balance Sheet	5,225.75	4,163.79
Add : Profit for the period	2,759.07	3,276.47
Add/ (Less): On closure of a Subsidiary	0.05	(0.10)
Less : Appropriations		
Interim Dividend - Equity	778.77	1,247.27
Proposed Dividend - Equity	-	355.85
Tax on Dividend	135.10	260.07
Transfer to General Reserve	-	351.22
Transfer to Special Economic Zone Re-investment Reserve	218.10	-
	-----	-----
	1,131.97	2,214.41
	-----	-----
	6,852.90	5,225.75
Total	-----	-----
	12,880.49	11,445.10
	=====	=====

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

PARTICULARS	As at 30th September 2013	AS AT 31st December 2012
5 DEFERRED TAX ASSETS / LIABILITIES		
a. Deferred Tax Assets:		
i. Provision for doubtful debts and advances	14.96	9.46
ii. Depreciation	8.38	6.26
iii. Employee Benefits	189.98	157.97
v. Provision Others	16.59	21.50
vi. Others	6.11	8.80
	236.02	203.99
Less: Deferred tax liability		
i. Depreciation	-	0.38
ii. Employee Benefits	7.16	-
	228.86	203.61
	228.86	203.61
b. Deferred Tax Liabilities:		
i. Depreciation	133.54	108.21
ii. Deferred Cancellation loss relating to roll-over of Cash flow hedges	307.41	101.58
	440.95	209.79
Less: Deferred Tax Asset		
i. Employee Benefits	56.31	48.52
ii. Provision Others	29.49	23.62
iii. Unabsorbed Tax losses	1.41	-
iv. Provision for doubtful debts and advances	9.46	7.18
	344.28	130.47
	344.28	130.47
6 OTHER LONG TERM LIABILITIES		
a. Capital Creditors	0.92	16.49
b. Liability for mark to market losses on derivative contracts (net)	77.41	61.08
	78.33	77.57
	78.33	77.57
7 OTHER CURRENT LIABILITIES		
a. Unearned Revenues	105.47	125.47
b. Unclaimed dividend *	55.38	45.63
c. Other Payables		
- Employee related liability	599.30	589.57
- Statutory liabilities	225.57	254.45
- Deposit received for Customer / Lessee	0.35	28.67
- Capital Creditors	136.43	121.86
- Advance from customers	-	0.05
- Liability for mark to market losses on derivative contracts (net)	60.04	160.76
- For Expenses	545.67	428.85
	1,728.21	1,755.31
	1,728.21	1,755.31
* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
8 SHORT TERM PROVISIONS		
a. Provision for employe benefits	439.39	328.21
b. Proposed dividend	-	355.85
c. Tax on proposed dividend	-	57.73
d. Provision for taxation (net of advance tax)	90.91	45.42
e. Others (Refer note no. 27)	151.06	197.31
	681.36	984.52
	681.36	984.52

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
9 - FIXED ASSETS

(Rupees Million)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.01.2013	Additions	Deductions/ Adjustment	As at 30.09.2013	As at 01.01.2013	For the Period	Deductions/ Adjustment	As at 30.09.2013	As at 30.09.2013	As at 31.12.2012
A	TANGIBLE ASSETS										
1	Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
	Land - Leasehold (Refer Note No.1)	362.14	-	-	362.14	21.97	2.82	-	24.79	337.35	340.17
2	Building	1,838.93	170.54	* 8.62	2,000.85	111.80	23.81	* 1.77	133.84	1,867.01	1,727.13
3	Plant and Machinery	1,394.31	80.02	* 84.79	1,389.54	1,006.12	107.53	* 71.67	1,041.98	347.56	388.19
4	Office Equipments	583.95	60.21	9.90	634.26	323.72	67.67	9.55	381.84	252.42	260.23
5	Furniture and Fixtures	552.84	12.05	27.83	537.06	342.64	34.79	30.74	346.69	190.37	210.20
6	Premises	29.30	0.48	* (9.32)	39.10	24.92	4.00	* (3.60)	32.52	6.58	4.38
7	Vehicles	36.23	4.54	12.78	27.99	30.14	2.52	12.47	20.19	7.80	6.09
	Total - Tangible Assets	4,797.85	327.84	134.60	4,991.09	1,861.31	243.14	122.60	1,981.85	3,009.24	2,936.54
	<i>Previous year</i>	<i>4,126.05</i>	<i>674.35</i>	<i>2.55</i>	<i>4,797.85</i>	<i>1,580.90</i>	<i>283.55</i>	<i>3.14</i>	<i>1,861.31</i>	<i>2,936.54</i>	
B	INTANGIBLE ASSETS										
1	Softwares	211.29	48.07	* (19.79)	279.15	131.49	41.81	* (4.01)	177.31	101.84	79.80
2	Goodwill on Consolidation	1,426.33	-	(197.07)	1,623.40	-	-	-	-	1,623.40	1,426.33
	Total - Intangible Assets	1,637.62	48.07	(216.86)	1,902.55	131.49	41.81	(4.01)	177.31	1,725.24	1,506.13
	<i>Previous year</i>	<i>1,542.92</i>	<i>71.18</i>	<i>(23.52)</i>	<i>1,637.62</i>	<i>116.30</i>	<i>40.59</i>	<i>25.40</i>	<i>131.49</i>	<i>1,506.13</i>	
	CURRENT PERIOD	6,435.47	375.91	(82.26)	6,893.64	1,992.80	284.95	118.59	2,159.16	4,734.48	4,442.67
	<i>PREVIOUS YEAR</i>	<i>5,668.97</i>	<i>745.53</i>	<i>(20.97)</i>	<i>6,435.47</i>	<i>1,697.20</i>	<i>324.14</i>	<i>28.54</i>	<i>1,992.80</i>	<i>4,442.67</i>	<i>-</i>
C	CAPITAL WORK IN PROGRESS									645.74	756.76
	(In respect of buildings under construction)										
	TOTAL									5,380.22	5,199.43

Notes:

1 Includes Rs. 90.00 Million and Rs. 5.35 Million (Previous Year Rs. 4.66 Million) being lease premium and accumulated amortisation in respect of leasehold land allotted to the Company at Nagpur for which final lease agreement is being executed.

2 Exchange difference (Net) on account of translation of fixed assets into INR included under deductions is as follows:

Particulars	Gross Block	Depreciation
Goodwill On Consolidation	197.07	-
TANGIBLE ASSETS		
Plant and Machinery	22.21	18.39
Office Equipment & AC	2.09	1.36
Furniture and Fixtures	7.92	4.92
Improvements to Leasehold		
Premises	3.83	3.42
Vehicles	0.21	0.21
Intangible Assets		
Computer Softwares	1.12	1.40
Current Period	234.45	29.70
<i>Previous year</i>	<i>63.92</i>	<i>12.58</i>

3 Plant and machinery includes Computer systems.

* Includes reclassification adjustments of Rs. 23.19 Million in Gross Block and Rs. 2.66 Million in Accumulated Depreciation.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at 30th September 2013	AS AT 31st December 2012
10 NON CURRENT INVESTMENTS		
Trade Investments - Others - Unquoted (At cost)		
240,958 equity shares of Rs. 10/- each invested in Beta Wind Farm Pvt.Ltd.	4.58	4.58
	-----	-----
	4.58	4.58
	=====	=====
11 LONG TERM LOANS AND ADVANCES (UNSECURED)		
Considered good		
a Capital Advances	8.03	13.01
b Security Deposits	99.40	64.71
c Advance Income Tax (net of provision for tax)	225.76	279.32
d Mat Credit Entitlement	946.01	690.11
e Other Loans and advances	64.20	41.62
	-----	-----
Total	1,343.40	1,088.77
Considered doubtful		
Security Deposits	1.27	-
Less : Provision for doubtful deposits	(1.27)	-
	-----	-----
	-	-
	-----	-----
	1,343.40	1,088.77
	-----	-----
12 OTHER NON CURRENT ASSETS		
a Interest accrued on deposits	15.55	8.37
b Unbilled services	1.87	8.28
c Non current bank balances		
Restricted bank balances	197.33	153.36
	-----	-----
Total	214.75	170.01
	-----	-----
13 CURRENT INVESTMENTS		
Non Trade Investments (Unquoted) (At cost or fair value whichever is lower)		
Investment in mutual funds	1,807.63	2,349.83
	-----	-----
Total	1,807.63	2,349.83
	-----	-----
Aggregate value of unquoted investments.	1,807.63	2,349.83
	-----	-----

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at	
	30th September 2013	31st December 2012
14 TRADE RECEIVABLES (UNSECURED)		
a) Over six months from the due date		
Considered good	3.57	2.14
Considered doubtful	70.03	43.82
	-----	-----
	73.60	45.96
Less: Provision for doubtful trade receivables	70.03	43.82
	-----	-----
	3.57	2.14
b) Others		
Considered good	3,614.44	3,646.94
Considered doubtful	21.04	15.90
	-----	-----
	3,635.48	3,662.84
Less: Provision for doubtful trade receivables	21.04	15.90
	-----	-----
	3,614.44	3,646.94
	-----	-----
Total	3,618.01	3,649.08
	-----	-----
15 CASH AND CASH EQUIVALENTS		
a Cash in Hand	0.06	0.02
b Balances with Banks		
In Current Accounts	752.69	675.76
Remittance in Transit	-	61.15
Bank deposit Accounts with less than 3 months maturity	332.30	212.58
	-----	-----
	1,084.99	949.49
c Other Bank Balances:		
Earmarked balances with banks	120.91	105.92
Unclaimed Dividend Account	55.74	40.96
Margin money	20.68	6.48
Bank deposit Accounts with more than 12 months maturity	298.50	498.50
Bank deposit Accounts with more than 3 months and less than 12 months maturity	817.50	13.50
	-----	-----
	1,313.33	665.36
Cash and Bank Balances	2,398.38	1,614.87
d 'AAA' rated demand deposits with financial institutions	700.00	507.50
e Bank balances reclassified as Non current Assets		
Restricted bank balances	(197.33)	(153.36)
	-----	-----
	(197.33)	(153.36)
	-----	-----
Total	2,901.05	1,969.01
	-----	-----
16 SHORT TERM LOANS AND ADVANCES (UNSECURED)		
a Considered good		
i. Security Deposits	11.59	86.64
ii. Advance Income Tax (net of provision for tax)	40.26	28.84
iii. Other Loans and advances (includes service tax receivable, prepaid expenses and employee advances)	430.26	393.20
	-----	-----
	482.11	508.68
b Considered doubtful		
Security Deposits	33.42	33.23
Less : Provision for doubtful deposits	(33.42)	(33.23)
	-----	-----
	-	-
	-----	-----
	482.11	508.68
	-----	-----
17 OTHER CURRENT ASSETS		
Interest accrued on deposits	108.02	56.65
Unbilled services	1,008.07	585.04
	-----	-----
Total	1,116.09	641.69
	-----	-----

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	For the quarter ended 30th September 2013	For the quarter ended 30th September 2012	For the nine months ended 30th September 2013	For the nine months ended 30th September 2012
18 OTHER INCOME				
Dividend from current investments	25.97	11.66	118.64	34.13
(Loss)/Profit on Sale / diminution in value of Current Investments (Net)	(12.06)	0.01	(14.92)	0.01
Interest income	50.97	64.45	138.37	233.52
Profit on Sale of Fixed Assets (Net)	0.58	0.22	2.54	0.45
Rental income	0.12	17.95	0.12	52.95
Miscellaneous income	2.18	8.12	20.48	14.37
Total	67.76	102.41	265.23	335.43
19 SOFTWARE AND DEVELOPMENT EXPENSES				
Consultant travel and related expenses	259.61	224.25	735.05	670.98
Software expenses *	781.65	534.02	1,799.42	1,495.78
Total	1,041.26	758.27	2,534.47	2,166.76
* Includes subcontracting charges	675.75	438.12	1,565.50	1,246.03
20 EMPLOYEE BENEFITS EXPENSE				
Salary and other allowances	2,829.48	2,450.77	7,895.01	6,891.81
Contribution to provident and other funds	283.37	256.77	844.95	732.81
Staff welfare expenses	62.68	63.53	175.03	157.48
Employee stock option compensation cost	-	(0.23)	(0.46)	0.53
Total	3,175.53	2,770.84	8,914.53	7,782.63
21 OPERATIONS AND OTHER EXPENSES				
Rent	56.98	52.15	161.73	151.99
Rates and taxes	6.66	6.41	19.82	22.52
Travelling and conveyance expenses	99.21	122.07	366.65	345.43
Electricity charges	40.86	44.72	131.15	131.83
Communication expenses	57.30	42.56	156.80	123.42
Repairs and maintenance	38.23	38.68	106.80	91.94
Printing and stationery	6.22	5.24	19.15	17.26
Auditors remuneration	6.14	6.19	17.42	16.84
Legal and professional fees	51.91	26.32	103.78	72.01
Advertisement and publicity	9.14	4.55	19.25	22.10
Seminar, Conference and business promotion expenses	31.61	22.88	71.93	72.12
Bank and other charges	2.58	2.36	7.29	7.06
Directors' sitting fees	0.69	0.54	1.55	1.62
Insurance charges	13.48	9.53	36.33	26.53
Donation	-	0.16	0.29	0.33
Assets written off	-	1.02	-	1.02
Provision for obsolete assets	-	-	7.04	-
Debts and advances written off (Net of Recoveries) *	-	6.59	-	8.64
Provision for doubtful accounts (Net of write back) **	10.49	(1.41)	24.00	(0.19)
Staff recruitment expenses	15.46	15.61	40.22	47.92
Service charges	30.62	26.81	86.67	76.74
Miscellaneous expenses	38.79	22.91	97.99	69.72
Note : Miscellaneous Expenses includes Stamp Duty & Filing fees, Hiring charges, Registrar and Share Transfer expenses, Membership and Subscription, etc.				
Total	516.37	455.89	1,475.86	1,306.85
* Net of recoveries Rs.	-	0.07	-	0.07
** Net of write backs Rs.	14.40	7.15	13.79	46.04

Hexaware Technologies Limited

22. Contingent Liabilities in respect of

a. Claims not acknowledged as debt to Rs. 28.14 million (31st December, 2012 Rs 28.14 million).

b **Claims for taxes on income:**

i. Where Company is in appeal

Income tax demands of Rs 112.39 million have been raised in respect of assessments completed during the period, arising from off-setting tax losses against income of exempt units. The Company has appealed against the orders and based on merits, expects favourable outcome. Hence no provision against such demand is considered necessary.

In case of a Subsidiary company income tax amount of Rs 3.22 million (31st December 2012 Rs 1.43 Million) for Assessment year 2008-09 to 2010-11, disputed in appeal and pending decision. Subsidiary company is hopeful of getting a favourable decision.

ii. Others:

During the previous year, the CIT (A) had passed an order in favour of the Company against demand of Rs 23.79 million raised by the Assessing officer for AY 2008-09, which had arisen mainly due to disallowance of foreign exchange loss as business expenses. Also, for AY 2004-05, the CIT (A) had decided the appeal against demand of Rs 7.40 million in the Company's favour. Against both these CIT(A) orders, the Income Tax department has filed an appeal with the ITAT during the period and the matter is in process.

23. Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In respect of certain entities in the group, 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. Tax expense relating to overseas operation is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

24. Related party disclosures

Key Management Personnel (KMP)

Mr. Atul K. Nishar – Chairman

Mr. P. R. Chandrasekar - Vice Chairman and Chief Executive Officer

Dr. (Mrs) Alka A Nishar – Director

Mr R. V. Ramanan – Executive Director and President Global Delivery

Mr Ramanan Seshadri - Whole Time Director

Mr. R U Srinivas – Chief Executive Director (Caliber Point Business Solutions Ltd) – upto 15th August 2013

Mr Rajiv Pant – President, North America operations (Hexaware Technologies Inc)

Mr Chinmoy Banerjee - Chief Executive Officer (Caliber Point Business Solutions Ltd) w.e.f.1st August 2013.

Others

Hexaware Technologies Employee Stock Option Trust - entity in which KMP have control and/or significant influence

Hexaware Technologies Limited

Transactions with related parties

	Reumeration (Rupees in Million)		No.of Stock Options Outstanding
	Quarter Ended 30th September 2013 (30th September 2012)	Nine month Ended 30th September 2013 (30th September 2012)	As on 30th September 2013 (31st December 2012)
Mr. Atul K. Nishar	3.59 (3.12)	10.25 (9.41)	- (-)
Mr P R Chandrasekar	22.97 (18.66)	62.59 (56.77)	- (1,019,978)
Mr R V Ramanan	8.00 (2.35)	26.56 (24.48)	125,000 (388,822)
Dr. (Mrs.) Alka A. Nishar	- (2.52)	- (6.76)	- (-)
Mr R U Srinivas	3.25 (2.37)	9.09 (8.06)	- (60,000)
Mr Rajiv Pant	7.70 (7.22)	34.33 (33.56)	37,500 (242,536)
Mr. Ramanan Sheshadri	4.04 (3.52)	18.83 (22.80)	124,000 (248,000)
Mr. Chinmoy Banerjee	3.91 (-)	3.91 (-)	- (-)

25. Earnings per Share (EPS)

The components of basic and diluted earnings per share are as follows:

Rs Million

Particulars	Quarter Ended		Nine month ended	
	30th September 2013	30th September 2012	30th September 2013	30th September 2012
Net profit after tax (Rupees in Million)	987.24	840.72	2,759.07	2,614.67
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,919,894	295,521,684	298,084,936	295,215,378
Basic Earnings per share : (in Rupees)	3.30	2.84	9.26	8.86
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,919,894	295,521,684	298,084,936	295,215,378
Add : Effect of dilutive issue of stock options (including share application money received on exercise of options) (Nos.)	2,026,381	4,849,305	2,690,240	5,679,879
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	300,946,275	300,370,989	300,775,176	300,895,257
Diluted Earnings per share : (in Rupees)	3.28	2.80	9.17	8.69

Hexaware Technologies Limited

26. Derivative Instruments:

- (i) Forward exchange contracts to Sell US Dollar 205 Million and Sell Euro 11.21 Million are outstanding as of 30th September 2013. (31st December 2012 Sell US Dollar 218.12 Million and Sell Euro 13.96 Million).
- (ii) Fair value net loss on the derivative instruments identified as cash flow hedges is Rs. 137.45 million as at 30th September 2013. (31st December 2012 net loss of Rs. 221.84 million).
- (iii) Net loss of Rs. 1,741.19 million recognised in Hedging Reserve as of 30th September 2013 is expected to be classified to statement of Profit and loss over two years.

27. "Provision Others" includes provisions towards expenditure relating employee benefit obligations on contract acquisition and provision for loss on contract execution (also in respect of fixed assets in previous year), the outflow for which is expected in the next twelve months

Particulars	(Rs Million)	
	30th September 2013	31st December 2012
Opening provision at the beginning of the year	197.31	346.19
Provision made during the period /year	45.04	8.35
Paid /Adjusted during the period / year	(91.29)	(157.23)
Closing provision at the end of the period /year	151.06	197.31

Hexaware Technologies Limited

28. Segments:

(Rs Million)

Quarter ended 30th September 2013						
Primary Segment : Business Segments	Travel, Transportation, Hospitality and Logistics	Banking and Financial Services	Insurance and Healthcare	Manufacturing and Services	Others	Total
Segment Revenue	1,105.00	2,106.16	995.75	1,330.82	672.80	6,210.53
	(969.16)	(1,560.39)	(727.48)	(1,116.42)	(701.70)	(5,075.15)
Segment Results	357.26	418.26	234.84	416.20	50.81	1,477.37
	(223.62)	(282.78)	(146.50)	(315.60)	(121.65)	(1,090.15)
Less: Unallocable expenses						285.67
						(126.73)
Add: Other Income						67.76
						(102.41)
Less: Interest						0.31
						(0.30)
Profit before tax						1,259.15
						(1,065.53)
Less: Tax expense						271.91
						(224.81)
Profit after tax						987.24
						(840.72)

Secondary Segment – Geographic Segment					
Particulars	North America	Europe	India	Rest of the World	Total
Revenue attributable to location of customers	4,077.65	1,724.36	127.61	280.91	6,210.53
	(3,315.32)	(1,375.90)	(83.37)	(300.56)	(5,075.15)
Segment assets based on their locations	3,330.05	611.33	5,654.54	159.66	9,755.58
	(3,087.90)	(549.54)	(5,599.22)	(119.53)	(9,356.19)
Additions to fixed assets (including capital work in progress)	8.12	1.65	60.98	2.31	73.06
	(25.37)	(0.48)	(177.01)	(0.04)	(202.90)
Goodwill	1,480.42	142.98	-	-	1,623.40
	(1,300.71)	(125.62)	-	-	(1,426.33)

Hexaware Technologies Limited

Rs Million

Nine month ended September 30, 2013						
Primary Segment : Business Segments	Travel, Transportation, Hospitality and Logistics	Banking and Financial Services	Insurance and Healthcare	Manufacturing and Services	Others	Total
Segment Revenue	3,048.70	5,626.45	2,588.82	3,338.11	2,051.30	16,653.38
	(2,818.59)	(4,058.79)	(2,220.61)	(3,417.72)	(1,943.26)	(14,458.97)
Segment Results	814.30	1,075.21	584.00	1,004.06	250.95	3,728.52
	(618.19)	(751.17)	(478.10)	(987.95)	(367.32)	(3,202.73)
Less: Unallocable expenses						489.37
						(302.90)
Add: Other Income						265.23
						(335.43)
Less: Interest						0.40
						(1.31)
Profit before tax						3,503.98
						(3,233.95)
Less: Tax expense						744.91
						(619.28)
Profit after tax						2,759.07
						(2,614.67)

Secondary Segment – Geographic Segment					
Particulars	North America	Europe	India	Rest of the World	Total
Revenue attributable to location of customers	11,070.91	4,446.83	345.05	790.59	16,653.38
	(9,260.58)	(4,111.73)	(281.92)	(804.74)	(14,458.97)
Segment assets based on their locations	3,330.05	611.33	5,654.54	159.66	9,755.58
	(3,087.90)	(549.54)	(5,599.22)	(119.53)	(9,356.19)
Additions to fixed assets (including capital work in progress)	27.41	2.77	224.34	10.37	264.89
	(33.50)	(2.31)	(504.59)	(0.04)	(540.44)
Goodwill	1,480.42	142.98	-	-	1,623.40
	(1,300.71)	(125.62)	-	-	(1,426.33)

Hexaware Technologies Limited

Notes:

- a) The Company has identified business segment as the primary segment. Segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational and the internal reporting system.
 - b) Revenues and expenses directly attributable to segments are reported under each reportable business segment. Common expenses which are not directly identifiable to reporting segment have been allocated to reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
 - c) Assets and liabilities contracted have not been identified to any of the reportable segments as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly, no disclosure relating to segment assets and segment liabilities are made.
 - d) Reported transactions are for the quarter and half year ended 30th September 2013 and balances are as at 30th September 2013 and 31st December 2012. Previous period / year are given in brackets.
29. Previous period /year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

For and on behalf of the board

R. V. Ramanan
(Executive Director and President
Global Delivery

Dileep Choksi
(Director)

Place : Mumbai

Date : November 11th, 2013
