

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

Report on the Condensed Interim 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 31st March, 2015, the Condensed Consolidated Statement of Profit and Loss and the Condensed Consolidated Cash Flow Statement for the quarter then ended, and the selected Explanatory notes.

Management's Responsibility for the Condensed Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these 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 the accounting principles generally accepted in India, including Accounting Standard (AS-25) on Interim Financial Reporting specified under Section 133 of the Companies Act, 2013, ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 internal financial controls relevant to the preparation and presentation of the condensed 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 specified u/s 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 internal financial control relevant to the Company's preparation 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 of the state of affairs of the Group as at 31st March, 2015 and its profit and its cash flows for the quarter ended on that date

Other Matter

We did not audit the financial statements of seven subsidiaries whose financial statements reflect total assets of Rs. 1,767.40 million as at 31st March, 2015, total revenues of Rs. 956.26 million and net cash flows amounting to Rs. 24.05 million for quarter ended on that date, 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 opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, April 29, 2015

HEXAWARE TECHNOLOGIES LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015

(Rupees Million)

Particulars	Note No.	As at	
		31st March 2015	31st December 2014
I. EQUITY AND LIABILITIES			
Share holders' funds :			
a. Share capital	"3"	602.25	601.85
b. Reserves and surplus	"4"	12,676.66	12,303.70
		-----	-----
		13,278.91	12,905.55
Share application money pending allotment			
		0.07	0.45
Non-current liabilities :			
a. Deferred tax liabilities (net)	"5"	96.71	118.68
b. Other long-term liabilities	"6"	6.39	31.06
c. Long-term provisions - Employee benefits		306.65	287.82
		-----	-----
		409.75	437.56
Current liabilities :			
a. Trade payables		826.66	680.35
b. Other current liabilities	"7"	2,133.73	2,145.70
c. Short-term provisions	"8"	1,299.31	1,484.90
		-----	-----
		4,259.70	4,310.95
		-----	-----
Total		17,948.43	17,654.51
		=====	=====
II. ASSETS			
Non-current assets :			
a. Fixed Assets :	"9"		
i) Tangible assets		3,329.94	3,379.87
ii) Intangible assets		1,729.25	1,758.45
iii) Capital work-in-progress		414.19	350.46
		-----	-----
		5,473.38	5,488.78
b. Non-current investments	"10"	4.58	4.58
c. Deferred tax asset (Net)	"5"	337.73	293.89
d. Long-term loans and advances	"11"	1,695.58	1,398.90
e. Other non-current assets	"12"	329.23	328.11
		-----	-----
		7,840.50	7,514.26
Current Assets :			
a. Current investments	"13"	1,129.64	1,850.96
b. Trade receivables	"14"	4,069.24	3,656.38
c. Cash and cash equivalents	"15"	2,160.71	2,865.02
d. Short-term loans and advances	"16"	624.87	537.91
e. Other current assets	"17"	2,123.47	1,229.98
		-----	-----
		10,107.93	10,140.25
		-----	-----
Total		17,948.43	17,654.51
		=====	=====
III. NOTES FORMING PART OF FINANCIAL STATEMENTS			
	"1 to 29"		

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Abhijit A. Damle
Partner

R. Srikrishna
(CEO and Executive Director)

P. R. Chandrasekar
(Director)

Place : Mumbai
Date : 29th April, 2015

HEXAWARE TECHNOLOGIES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31st MARCH 2015

Particulars	Note No.	For the quarter ended 31st March 2015	For the quarter ended 31st March 2014
I. INCOME			
a. Revenue from Operations		7,134.26	5,888.79
b. Other Income	"18"	36.64	85.33
		-----	-----
		7,170.90	5,974.12
II. EXPENSES			
a. Software and Development Expenses	"19"	1,208.28	855.34
b. Employee benefits expense	"20"	4,053.62	3,361.93
c. Operation and Other Expenses	"21"	601.27	538.51
d. Exchange Rate difference (net)		134.08	135.22
e. Interest - Others		0.15	0.27
f. Depreciation and amortisation expense	"9"	115.43	107.85
		-----	-----
		6,112.83	4,999.12
Profit before Tax		1,058.07	975.00
Tax expense			
Income Tax - Current (net of MAT credit adjustments)		294.15	370.36
Income Tax - Deferred (Credit)		(69.58)	(98.38)
		-----	-----
		224.57	271.98
Profit for the period		833.50	703.02
		=====	=====
Earnings Per Share (in Rupees)	"24"		
Basic		2.77	2.34
Diluted		2.76	2.33
Face value of equity share (in Rupees)		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 LLP
Chartered Accountants

For and on behalf of the Board

Abhijit A. Damle
Partner.
Place: Mumbai
Date : 29th April, 2015

R. Srikrishna
(CEO and Executive Director)

P. R. Chandrasekar
(Director)

Particulars	For the quarter ended 31st March 15	For the quarter ended 31st March 14
A Cash Flow from operating activities		
Net Profit before tax	1,058.07	975.00
Adjustments for:		
Depreciation and amortization expenses	115.43	107.85
Employees share based payment cost	33.23	-
Interest income	(3.25)	(30.96)
Provision for doubtful accounts (net)	5.46	(17.63)
Debts and advances written off	3.67	1.27
Dividend from current investments	(20.51)	(50.31)
Loss on sale of fixed assets (Net)	0.39	1.18
Deferred settlement loss relating to roll-over cash flow hedges	146.37	342.33
Exchange rate difference (net) unrealised	5.26	124.06
Interest expense	0.15	0.27
Operating profit before working capital changes	1,344.27	1,453.06
Adjustments for:		
Trade and other receivables	(1,392.13)	(458.41)
Trade and other payables	166.72	(57.62)
Cash generated from operations	118.86	937.03
Direct Taxes Paid (Net)	(284.47)	(387.15)
Net cash (used in) / from operating activities	(165.61)	549.88
B Cash flow from investing activities		
Purchase of fixed assets	(339.30)	(131.98)
Proceeds from sale of fixed assets	1.09	0.04
Interest received (Net of tax Rs. 0.31 Million (Rs. 5.90 Million))	0.95	99.74
Purchase of current investments	(4,270.30)	(6,458.27)
Proceeds from sale of investments	4,991.62	7,342.52
Dividend from current investments	20.51	50.31
Net cash from investing activities	404.57	902.36
C Cash flow from financing activities		
Proceeds from issue of share capital	8.16	12.02
Share application money adjusted	(0.38)	(0.85)
Interest and other finance charges paid	(0.15)	(0.27)
Dividend paid (including corporate dividend tax)	(906.94)	(2,580.81)
Net cash (used in) financing activities	(899.31)	(2,569.91)
Net (Decrease) in cash and cash equivalents	(660.35)	(1,117.67)
Cash and cash equivalents at the beginning of the period	2,859.76	2,891.12
Cash and cash equivalents at the end of the period (Refer Note No. 1 below)	2,199.41	1,773.45

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	2,391.36	1,939.73
Less: Restricted Bank Balances	(230.65)	(199.74)
Cash and cash Equivalents as per note no 15	2,160.71	1,739.99
Effect of changes in Exchange rate in cash and cash equivalents	38.70	33.46
Total Cash and Cash equivalents	2,199.41	1,773.45

2. The previous year's figures have been regrouped wherever necessary.

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Abhijit A. Damle
Partner

R. Srikrishna (CEO and Executive Director) **P. R. Chandrasekar** (Director)

Place: Mumbai
Date : 29th April, 2015

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, of India. 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 2014 except for reassessment of useful lives of fixed assets of the Company w.e.f. 1st January 2015 as per provisions of Schedule II of the Companies Act , 2013, the impact of which is not material. 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 (Subsidiary of Hexaware Technologies Inc.)	Netherland
Hexaware Technologies Asia Pacific Pte Limited	Singapore
Hexaware Technologies Gmbh.	Germany
Hexaware Technologies Canada Limited.	Canada
Caliber Point Business Solutions Limited (merged with the Company w.e.f. 1st April 2013, refer note No. 28)	India
Risk Technology International Limited	India
Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil

Particulars	As at 31st March 2015		As at 31st December 2014	
3 SHARE CAPITAL				
a. Authorised				
475,000,000 Equity Shares of Rs. 2/- each	950.00		950.00	
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	2,513.10		2,513.10	
b. Issued, Subscribed and Paid-up Capital				
Equity Shares of Rs. 2/- each Fully Paid.	602.25		601.85	
Total	602.25		601.85	
c. Reconciliation of number of shares				
Particulars	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the period / year	300,923,472	601.85	299,875,947	599.75
Shares issued during the period / year	200,250	0.40	1,047,525	2.10
Shares outstanding at the end of the period / year	301,123,722	602.25	300,923,472	601.85
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
HT Global IT Solutions Holdings Ltd. (Holding Company)	215,047,193	71.41	215,047,193	71.46
e. Shares allotted as fully paid up by way of bonus shares during five years preceding the year 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 liabilities, 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. Each option entitles the holder to one equity share of Rs. 2 each. 1,594,964 (1,576,500) options were outstanding as on 31st March 2015.				
h. Shares application money pending allotment				
Share application money pending allotment is Rs. 0.07 Million (Rs. 0.45 Million) as at 31st March, 2015, which pertains to 6,000 (36,000) shares. The Company has sufficient authorised capital to cover the allotment of these shares.				
i. The Board of Directors, at its meeting held on 29th April, 2015 has declared interim dividend of Rs. 2/- per equity share.				

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at		As at	
	31st March 2015		31st December 2014	
4 RESERVES AND SURPLUS				
a Securities premium account				
As per last Balance Sheet	4,741.93		4,654.45	
Add: On merger of Caliber Point Business Solutions Limited (Refer note no. 28)	-		41.12	
Add : Received during the period / year	7.76		46.36	
	-----	4,749.69	-----	4,741.93
b Employee stock options outstanding				
As per last Balance Sheet	-		-	
Add: Employee Stock Options compensation cost	33.23		-	
	-----	33.23	-----	-
c General reserve				
As per last Balance Sheet	2,140.38		2,178.52	
Less: On merger of Caliber Point Business Solutions Limited (Refer note no. 28)	-		41.12	
Add : Transfer from Statement of Profit and Loss	-		2.98	
	-----	2,140.38	-----	2,140.38
d Hedging reserve				
As per last Balance Sheet	(253.01)		(1,239.41)	
Less: Losses transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions (Net)	100.07		759.56	
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	221.59		226.84	
	-----	68.65	-----	(253.01)
e Amalgamation reserve		2.88		2.88
f Special Economic Zone Re-investment reserve				
As per last Balance Sheet	281.39		223.94	
Add : Transfer from Balance in Statement of Profit and Loss	169.80		176.38	
Less : Transfer to Statement of Profit and Loss on utilisation for acquisition of plant and machinery.	-		118.93	
	-----	451.19	-----	281.39
g Currency translation Reserve				
As per last Balance Sheet	1,011.72		1,013.50	
Addition during the period / year (Net)	(97.74)		(1.78)	
	-----	913.98	-----	1,011.72
h Balance in Statement of Profit and Loss				
As per last Balance Sheet	4,378.41		4,557.98	
Add : Profit for the period / year	833.50		3,201.52	
Add : Transfer from Special Economic Zone Re-investment reserve	-		118.93	
	-----	5,211.91	-----	7,878.43
Less : Appropriations				
Interim Dividend - Equity	602.75		2,840.97	
Tax on Dividend (For previous year after adjusting tax benefit on dividend distributed by a subsidiary)	122.70		479.69	
Transfer to General Reserve	-		2.98	
Transfer to Special Economic Zone Re-investment Reserve	169.80		176.38	
	-----	895.25	-----	3,500.02
	-----	4,316.66	-----	4,378.41
Total		-----	-----	-----
		12,676.66		12,303.70

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

PARTICULARS	As at 31st March 2015	As at 31st December 2014
5 DEFERRED TAX ASSETS / LIABILITIES		
a. Deferred tax assets:		
i. Provision for doubtful receivables	11.56	12.29
ii. Depreciation	9.16	8.71
iii. Employee Benefits	283.33	245.40
iv. Provision Others	33.81	29.82
v. Others	2.14	1.80
	340.00	298.02
Less: Deferred tax liability		
Employee Benefits	2.27	4.13
Total	337.73	293.89
b. Deferred tax liabilities:		
i. Depreciation	157.33	149.50
ii. Deferred Cancellation loss relating to roll-over of Cash flow hedges	8.22	35.36
	165.55	184.86
Less: Deferred tax asset		
i. Employee benefits	67.64	62.59
ii. Provision for doubtful receivables	1.20	3.59
Total	96.71	118.68
6 OTHER LONG TERM LIABILITIES		
a Capital creditors	6.39	5.87
b Liability for mark to market losses on derivative contracts (net)	-	25.19
Total	6.39	31.06
7 OTHER CURRENT LIABILITIES		
a Unearned revenues	145.29	226.16
b Unclaimed dividend *	103.37	96.40
c Other payables		
- Employee related	960.11	847.99
- Statutory liabilities	309.93	322.04
- Deposit received from Customer / Lessee	0.38	0.38
- Capital creditors	150.61	79.39
- Liability for mark to market losses on derivative contracts (net)	-	51.54
- For expenses	464.04	521.80
Total	2,133.73	2,145.70
* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
8 SHORT TERM PROVISIONS		
a For employee benefits	440.48	427.44
b Proposed dividend	602.25	752.31
c Tax on proposed dividend	122.60	154.03
d Provision for taxation (net of advance tax) (net of MAT credit availed Rs. 47.68 Million (Rs. 56.85))	66.01	58.82
e Others (Refer note no. 26)	67.97	92.30
Total	1,299.31	1,484.90

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 01.01.2015	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.01.2015	For the period	Deductions/ Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.12.2014
A	TANGIBLE ASSETS										
1	Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
	Land - Leasehold (Refer note no.1)	455.87	-	-	455.87	29.67	1.34	-	31.01	424.86	426.20
2	Buildings	2,248.11	0.36	-	2,248.47	178.65	12.40	-	191.05	2,057.42	2,069.46
3	Plant and Machinery	1,568.66	31.18	25.82	1,574.02	1,175.19	42.40	22.84	1,194.75	379.27	393.47
4	Office Equipments	787.21	11.32	1.18	797.35	508.82	27.21	0.76	535.27	262.08	278.39
5	Furniture and Fixtures	578.34	4.53	2.40	580.47	394.39	11.05	1.94	403.50	176.97	183.95
6	Improvements to Leasehold Premises	54.66	3.79	1.84	56.61	30.45	1.71	1.29	30.87	25.74	24.21
7	Vehicles	25.38	-	0.01	25.37	21.34	0.59	0.01	21.92	3.45	4.04
	Total - Tangible Assets	5,718.38	51.18	31.25	5,738.31	2,338.51	96.70	26.84	2,408.37	3,329.94	3,379.87
	<i>Previous year</i>	<i>5,451.59</i>	<i>305.49</i>	<i>38.70</i>	<i>5,718.38</i>	<i>1,995.03</i>	<i>378.49</i>	<i>35.01</i>	<i>2,338.51</i>	<i>3,379.87</i>	
B	INTANGIBLE ASSETS										
1	Software	376.85	3.96	1.36	379.45	252.94	18.73	0.78	270.89	108.56	123.91
2	Goodwill on consolidation	1,634.54	-	13.85	1,620.69	-	-	-	-	1,620.69	1,634.54
	Total - Intangible Assets	2,011.39	3.96	15.21	2,000.14	252.94	18.73	0.78	270.89	1,729.25	1,758.45
	<i>Previous year</i>	<i>1,885.48</i>	<i>94.07</i>	<i>(31.84)</i>	<i>2,011.39</i>	<i>191.66</i>	<i>61.23</i>	<i>(0.05)</i>	<i>252.94</i>	<i>1,758.45</i>	
C	CAPITAL WORK IN PROGRESS									414.19	350.46
	(Mainly in respect of buildings under construction)										
	CURRENT YEAR	7,729.77	55.14	46.46	7,738.45	2,591.45	115.43	27.62	2,679.26	5,473.38	5,488.78
	<i>PREVIOUS YEAR</i>	<i>7,337.07</i>	<i>399.56</i>	<i>6.86</i>	<i>7,729.77</i>	<i>2,186.69</i>	<i>439.72</i>	<i>34.96</i>	<i>2,591.45</i>	<i>5,488.78</i>	

Notes:

- Includes Rs. 90.00 Million and Rs. 6.72 Million (Previous Year Rs. 6.49 Million) being lease premium and accumulated amortisation respectively in respect part of of leasehold land allotted to the Company at Nagpur for which final lease agreement is being executed.
- Plant and machinery includes Computer systems.
- 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	13.85	-
TANGIBLE ASSETS		
Plant and Machinery	4.68	3.62
Office Equipments	1.68	0.76
Furniture and Fixtures	2.40	1.82
Improvements to Leasehold Premises	1.84	1.29
Vehicles	0.01	0.01
Intangible Assets		
Computer Softwares	1.12	0.79
Current Period	25.58	8.29
<i>Previous year</i>	<i>41.78</i>	<i>8.22</i>

- During the period, pursuant to application of Schedule II of the Companies Act, 2013, the useful lives of the fixed assets of the holding company has been evaluated and revised where required based on such evaluation. Expert advice has been obtained in respect of assets where the useful lives are different from stipulations of the Schedule II. The impact of the revision is not material.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at 31st March 2015	As at 31st December 2014
10 NON CURRENT INVESTMENTS		
Trade Investments - Others - Unquoted (At cost)		
240,958 equity shares of Rs. 10/- each fully paid up in Beta Wind Farm Pvt.Ltd.	4.58	4.58
Total	4.58	4.58
11 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)		
a Capital advances	349.36	56.44
b Security deposits	115.60	119.27
c Advance Income Tax and Fringe benefit Tax (net of provision for tax)	333.41	335.04
d Mat credit entitlement	837.61	828.44
e Other loans and advances	59.60	59.71
Total	1,695.58	1,398.90
12 OTHER NON CURRENT ASSETS		
a Interest accrued on deposits	10.93	9.03
b Unbilled services	64.13	95.69
c Receivable on account of mark to market gains on derivative contracts	23.52	-
d Non current bank balances Restricted bank balances (Refer note no. 15)	230.65	223.39
Total	329.23	328.11
13 CURRENT INVESTMENTS		
Investments in Mutual funds (Unquoted) (At cost or fair value whichever is lower)	1,129.64	1,850.96
Total	1,129.64	1,850.96

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at 31st March 2015	As at 31st December 2014
14 TRADE RECEIVABLES (UNSECURED)		
a Over six months from the due date		
Considered good	2.37	0.10
Considered doubtful	46.90	45.92
	-----	-----
	49.27	46.02
Less: Provision for doubtful receivables	46.90	45.92
	-----	-----
	2.37	0.10
b Others		
Considered good	4,066.87	3,656.28
Considered doubtful	18.70	15.19
	-----	-----
	4,085.57	3,671.47
Less: Provision for doubtful receivables	18.70	15.19
	-----	-----
	4,066.87	3,656.28
Total	-----	-----
	4,069.24	3,656.38
	-----	-----
15 CASH AND CASH EQUIVALENTS		
a Cash in hand	0.02	0.01
b Balances with Banks		
In Current accounts	2,131.97	2,707.86
Remittances in transit	17.04	0.31
Bank deposit accounts with less than 3 months maturity	11.68	156.84
	-----	-----
	2,160.69	2,865.01
c Other Bank Balances:		
Earmarked balances with banks	105.17	106.05
Unclaimed dividend accounts	103.73	96.76
Margin money	21.75	20.58
	-----	-----
	230.65	223.39
Cash and Bank balances	2,391.36	3,088.41
d Bank balances reclassified as Non current Assets		
Restricted bank balances (Refer note no. 12)	(230.65)	(223.39)
	-----	-----
Total	2,160.71	2,865.02
	-----	-----
16 SHORT TERM LOANS AND ADVANCES (UNSECURED)		
a Considered good		
i. Security deposits	9.38	7.77
ii. Advance Income Tax (net of provision for tax)	23.09	34.30
iii. Other loans and advances (includes service tax receivable, prepaid expenses, employee advances etc.)	592.40	495.84
	-----	-----
	624.87	537.91
b Considered doubtful		
Security deposits	34.78	34.78
Less : Provision for doubtful deposits	34.78	34.78
	-----	-----
	-	-
Total	-----	-----
	624.87	537.91
	-----	-----
17 OTHER CURRENT ASSETS		
a Interest accrued on deposits	0.64	0.54
b Unbilled services	2,009.00	1,229.44
c Receivable on account of mark to market gains on derivative contracts (net)	113.83	-
	-----	-----
Total	2,123.47	1,229.98
	-----	-----

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the quarter ended 31st March 2015	For the quarter ended 31st March 2014
18 OTHER INCOME		
Dividend from current investments	20.51	50.31
Interest income	3.25	30.96
(Loss) on Sale of Fixed Assets (Net)	(0.39)	(1.18)
Miscellaneous income	13.27	5.24
	-----	-----
Total	36.64	85.33
	=====	=====
19 SOFTWARE AND DEVELOPMENT EXPENSES		
Consultant travel and related expenses	365.75	275.46
Software expenses *	842.53	579.88
	-----	-----
Total	1,208.28	855.34
	=====	=====
* Includes subcontracting charges	813.03	479.56
20 EMPLOYEE BENEFITS EXPENSE		
Salary and other allowances	3,516.93	2,953.08
Contribution to provident and other funds	421.80	345.01
Staff welfare expenses	81.66	63.84
Employee stock option compensation cost	33.23	-
	-----	-----
Total	4,053.62	3,361.93
	=====	=====
21 OPERATIONS AND OTHER EXPENSES		
Rent	63.30	60.59
Rates and taxes	10.56	13.41
Travelling and conveyance expenses	148.71	161.54
Electricity charges	42.07	35.54
Communication expenses	48.17	46.92
Repairs and maintenance	58.31	41.04
Printing and stationery	6.32	5.07
Auditors remuneration	9.02	7.21
Legal and professional fees	38.39	44.85
Advertisement and publicity	12.83	7.88
Seminar, Conference and business promotion expenses	29.45	29.47
Bank and other charges	2.17	2.06
Directors' sitting fees	0.31	0.24
Insurance charges	13.62	12.90
Debts and advances written off (Net of Recoveries)	3.67	1.27
Provision for doubtful accounts (Net of write back) *	5.46	(17.63)
Staff recruitment expenses	32.81	19.81
Service charges	47.34	43.56
Miscellaneous expenses	28.76	22.78
	-----	-----
Total	601.27	538.51
	=====	=====
* Net of write backs	10.88	19.08

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22 Contingent liability in respect of :

a) Claims not acknowledged as debt Rs. 28.14 million (Previous Year Rs 28.14 million).

b) Claims for taxes on income:

i. Where Company is in appeal

Income tax demands of Rs 9.74 million (31st December 2014 Rs 8.99 million) have been raised in respect of assessments completed, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merits, expects favourable outcome. Hence no provision against such demand is considered necessary.

ii. Others:

In an earlier 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. Against this, the Income Tax Department has filed an appeal with Income Tax Appellate Tribunal and the matter is under progress.

23 Derivative Instruments

Forward exchange contracts to Sell US Dollar 196.80 million and Euro 7.12 million (31st December 2014 US Dollar 183.86 million and Euro 2.74 million) are outstanding as of 31st March , 2015.

Fair value net gain of the derivative instruments identified as cash flow hedges is Rs. 137.35 million (31st December 2014 net loss of Rs. 76.73 million) as at 31st March, 2015.

Net gain of Rs.68.65 million recognized in Hedging Reserve as at 31st March 2015 is expected to be recycled to Statement of Profit and Loss over two years.

24 Earnings Per Share (EPS) - The components of basic and diluted earnings per share are as follows :

Particulars	For the quarter ended	
	31st March 2015	31st Mach 2014
Net profit after tax (in Rs Million)	833.50	703.02
Weighted average outstanding equity shares considered for basic EPS (Nos)	301,030,272	300,058,414
Basic Earnings per share (in Rs.)	2.77	2.34
Weighted average outstanding equity shares considered for basic EPS (Nos)	301,030,272	300,058,414
Add : Dilutive impact of employee stock options (Nos)	1,366,910	1,645,888
Weighted average outstanding equity shares considered for diluted EPS (Nos)	302,397,182	301,704,302
Diluted Earnings per share: (in Rs.)	2.76	2.33

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED 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 company) (control exists)

The Baring Asia Private Equity Fund V, LP, Cayman Island

Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius

Parel Investment Holdings Limited, Mauritius

Holding Company (control exists)

HT Global IT Solutions Holdings Limited, Mauritius

Key Management Personnel

Mr. P. R. Chandrasekar - Vice Chairman (KMP Upto 31st December 2014)

Mr. R. Srikrishna - Executive Director and CEO (KMP from 28th July 2014)

Mr R. V. Ramanan – Executive Director and President Global Delivery (upto 15th September 2014)

Mr Amrinder Singh - Whole Time Director of Hexaware Technologies UK Ltd.

Mr Rajiv Pant – President, North America operations of Hexaware Technologies Inc.

Others

Ms Kala Ramanan – Relative of KMP – (upto 15th September 2014)

Particulars	Remuneration (Rs Million)	Units/Options including restricted Stock units Outstanding as at 31st March 2015 (Nos)
Mr R Srikrishna (including share based payment)	33.14	231,214
	(-)	(-)
Mr P R Chandrasekar	-	-
	(19.04)	(-)
Mr R V Ramanan	-	-
	(2.89)	(125,000)
Mr Rajiv Pant	8.79	12,500
	(8.76)	(25,000)
Ms. Amrinder Singh	5.48	-
	(4.79)	(-)

Particulars	Guest House Rent (Rs Million)
Ms. Kala Ramanan	-
	(0.28)

Particulars	Closing Balances (Rs Million)
Payables to KMP	28.03
	(78.52)

Previous period / year figures given in the brackets

26

Provision Others' represents provisions towards expenditure relating to employee benefit obligations on contract acquisition and provision for loss on contract execution, the outflow for which is expected in the next year.

Rupees Million

Particulars	As At	
	31st March 2015	31st December 2014
Provision at the beginning of the year	92.30	151.55
Provision made during the period / year	10.63	57.84
Paid /Adjusted during the period / year	(34.94)	(117.09)
Provision at the end of the period year	67.97	92.30

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

27 Segments

Quarter ended 31st March, 2015					
(Rupees Million)					
Primary Segment : Business Segments	Global Travel and Transportation	Banking and Financial Services	Insurance and Healthcare	Manufacturing, Consumer and Others	Total
Segment Revenue	1,175.74	2,670.76	1,114.61	2,173.15	7,134.26
	(1,059.43)	(1,899.85)	(1,031.24)	(1,898.27)	(5,888.79)
Segment Results	217.98	350.69	261.32	441.10	1,271.09
	(224.85)	(217.66)	(206.68)	(483.82)	(1,133.01)
Less: Unallocable expenses					249.51
					(243.07)
Add: Other Income					36.64
					(85.33)
Less: Interest					0.15
					(0.27)
Profit before tax					1,058.07
					(975.00)
Less: Provision for taxation					224.57
					(271.98)
Profit after tax					833.50
					(703.02)
Secondary Segment – Geographic Segment	North America	Europe	India	Rest of the World	Total
Revenue attributable to location of customers	5,808.78	888.22	135.62	301.64	7,134.26
	(4,619.91)	(806.28)	(149.23)	(313.37)	(5,888.79)
Segment assets based on their locations	5,127.55	1,122.86	6,946.52	215.44	13,412.37
	(4,433.00)	(971.12)	(6,681.90)	(201.52)	(12,287.54)
Additions to fixed assets (including capital work in progress)	20.63	-	97.87	0.37	118.87
	(2.40)	(0.81)	(111.27)	(8.20)	(122.68)
Goodwill	1,477.95	142.74	-	-	1,620.69
	(1,490.58)	(143.96)	(-)	(-)	(1,634.54)

Notes

- The Company has identified business segment as the primary segment. Business 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 systems. Consequent to internal reorganization, effective from January 1, 2015, the Company has realigned the segment disclosure to reflect such reorganization. The previous period / year's figures are also restated to conform to the current periods classification.
- Revenues and expenses directly attributable to segments are reported under each reportable business segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each 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.
- 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.
- Previous period /year figures are given in brackets.

28

Caliber Point Business Solutions limited (CP) (amalgamating company), a wholly owned subsidiary, engaged in Business Process Management services, has been amalgamated with the Company. The Scheme of Amalgamation ('the Scheme') was sanctioned by the Honourable High Court of Judicature at Bombay vide its Order dated 10th October 2014, the appointed date of merger being 1st April 2013.

The Scheme has been given effect to in the standalone financial statements during the quarter and period ended 30th September 2014. The amalgamation had the impact of reducing General Reserve by Rs 41.12 million and increasing the balance in securities premium account by an equivalent amount in the consolidated financial statements for the previous year.

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Previous period / years figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

For and on behalf of the board

R Srikrishna
(CEO and Executive Director)

Dileep Choksi
(Director)

Place : Mumbai
Date : 29th April 2015