B S R & Co. LLP
Chartered Accountants

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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 (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2024, 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 material 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 the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, 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 as at 31 December 2024, 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 Section 143(10) 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 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 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Key audit matter</th></tr>
<tr><td colspan="2">Revenue recognition – Fixed price contracts where revenue is recognized using percentage of completion method.</td></tr>
<tr><td colspan="2">See Note 2.4.1 and Note 2.7 to consolidated financial statements.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group inter alia engages in Fixed-price contracts where performance obligations are satisfied over a period of time and revenue is recognized using the percentage of completion computed as per the input method based on the Group's estimate of efforts.
We identified revenue recognition of Fixed-price contracts where the percentage of completion is used as a key audit matter since –
• there is an inherent risk and presumed fraud risk of revenues recognised considering the customised and complex nature of these contracts.
• Revenue recognition in such contracts involves key judgments and estimates relating to identification of distinct performance obligations, determination of transaction price for such performance obligations and estimation of future effortsof completion which is used to determine the percentage of completion of the relevant performance obligation.
• These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company.</td><td>Our audit procedures included the following:
• Obtained an understanding of the systems, processes and controls implemented by the Group for revenue recognition on Fixed-price contracts.
• Involved our Information Technology (IT) specialists, as required:
• Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised;
• Tested the IT controls over appropriateness of efforts and revenue reports generated by the system.
• Tested the design and operating effectiveness of internal controls relating to
• Recording of the contract value, determining the transaction price to be allocated to performance obligations, measurement of efforts incurred and estimation of efforts required to complete the remaining performance obligations and appropriateness of revenue recognition.
• Management review and approval of efforts estimates and any changes to the same over the contract period.
• On selected specific and statistical samples of contracts, we tested that the revenue recognised is in accordance with the revenue recognition accounting standard, including:
• evaluated the identification of performance obligations;
• considered the terms of the contracts to determine the transaction price,
• tested the allocation of transaction price to the performance obligations;
• tested the Company's calculation of efforts incurred and estimation of contract efforts including estimation of onerous obligations, if any; and</td></tr>
</table>

	• performed a retrospective analysis by comparing revised efforts with estimated efforts at inception of contract to identify and test the appropriateness of significant variations in estimated efforts with the underlying documentation and approvals. • Assessed the appropriateness of the related disclosures in 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 Management discussion and analysis and Board report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 work done on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities 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 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 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 the 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 Board of 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 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 the respective 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 are 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 Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. 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 paragraph (a) of the section titled “Other Matters” in this audit report.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements/financial information of eighteen subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 9,200 million as at 31 December 2024, total revenues (before consolidation adjustments) of Rs.15,106 million and net cash inflows (before consolidation adjustments) amounting to Rs.1,037 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the 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 reports of the the other auditors.

b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors..

b. We draw attention to Note 34 of the Consolidated financial statements, for the year ended 31 December 2024, the Company translated certain financial information consisting of extract of the Statement of Profit and Loss (before other comprehensive income) using the monthly closing exchange rate as published by FEDAI for the purposes of alignment with internal reporting. Thus the Consolidated financial statements contains supplementary information - extract of Statement of Profit and Loss (before other comprehensive income). We have audited the translation of extract of statement of profit and loss (before other comprehensive income) presented in Indian Rupee into United States Dollars on the basis set forth in Note 34 to the Consolidated financial statements.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, 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 report of the other auditor except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 December 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to 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 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 December 2024 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 36(A) to the consolidated financial statements in respect of such items as it relates to the Group.

c. 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 2024.

d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the note 36B to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the note 36B to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India has used accounting software, which along with an access management tool, as applicable for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software and we did not come across any instance of audit trail feature being tampered with.

i. In the case of the Holding Company, at the application level for accounting software which is used for processing Project billing the audit trail was not enabled for the period till April 2024. Further in absence of monitoring over audit trail feature within the database till November 2024, we are unable to comment whether audit trail at the database level of the said software was enabled and operated till November 2024.

ii. In the case of the Holding Company, at the application level for the software used for maintaining general ledger for certain tables relating to master data audit trail was not enabled. Further, In the absence of change log over audit trail feature at the application level, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company 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 Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm’s Registration No.:101248W/W-100022

JACLYN DESOUZA

Digitally signed by JACLYN DESOUZA
Date: 2025.03.07 01:33:09 +05'30'

Jaclyn Desouza

Partner

Place: Rovaniemi

Membership No.: 124629

Date: 07 March 2025

ICAI UDIN:25124629BMOQGY6255

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Hexaware Technologies Limited for the year ended 31 December 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

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

JACLYN DESOUZA

Digitally signed by JACLYN DESOUZA
Date: 2025.03.07 01:33:34 +05'30'

Jaclyn Desouza

Partner

Place: Rovaniemi

Membership No.: 124629

Date: 07 March 2025

ICAI UDIN:25124629BMOQGY6255

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Hexaware Technologies Limited for the year ended 31 December 2024

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 Act

(Referred to in paragraph 2(A)(g) 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 Hexaware Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 December 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such company incorporated in India which is its subsidiary company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2024, based on the internal financial controls with reference to financial statements criteria established by the Company 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 financial statements criteria established by the respective company's 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 auditor

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Hexaware Technologies Limited for the year ended 31 December 2024 *(Continued)*

of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

JACLYN DESOUZA
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Date: 2025.03.07 01:34:07 +05'30'

Jaclyn Desouza

Partner

Membership No.: 124629

ICAI UDIN:25124629BMOQGY6255

Place: Rovaniemi

Date: 07 March 2025

Hexaware Technologies Limited

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra - 400710, India

CIN: U72900MH1992PLC069662

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) as at December 31, 2024

Hexaware Technologies Limited

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra - 400710, India

CIN: U72900MH1992PLC069662

(Rupees in millions, except share and per share data, unless otherwise stated)

Consolidated Balance Sheet

	Note No.	As at December 31, 2024	As at December 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,762	5,257
Capital work-in-progress	6	1,308	552
Right-of-use assets	5A	5,596	3,761
Goodwill	7	23,871	14,290
Other intangible assets	9	3,366	1,227
Financial assets			
Investments	10A	4	4
Other financial assets	12A	761	660
Deferred tax assets (net)	11C	2,682	2,727
Income tax assets (net)		464	439
Other non-current assets	13A	1,620	1,087
Total non-current assets		**44,434**	**30,004**
Current assets			
Financial assets			
Investments	10B	-	2,506
Trade receivables			
Billed	14	12,914	13,863
Unbilled		6,841	4,595
Cash and cash equivalents	15A	19,766	17,734
Other bank balances	15B	106	103
Other financial assets	12B	605	115
Income tax assets (net)		191	306
Other current assets	13B	5,088	2,795
Total current assets		**45,511**	**42,017**
TOTAL ASSETS		**89,945**	**72,021**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	608	607
Other equity		52,961	45,745
Equity attributable to shareholders of the Company		**53,569**	**46,352**
Non-controlling interests		(23)	-
Total equity		**53,546**	**46,352**
Non-current liabilities			
Financial liabilities			
Lease liabilities	5B	4,703	3,151
Other financial liabilities	17A	2,223	166
Provisions	20A	752	794
Deferred tax liabilities (net)	11C	^	-
Total non-current liabilities		**7,678**	**4,111**
Current liabilities			
Financial liabilities			
Lease liabilities	5B	1,039	785
Trade payables	18	9,140	6,595
Other financial liabilities	17B	10,062	6,789
Other current liabilities	19	3,887	3,327
Provisions	20B	2,416	2,287
Income tax liabilities (net)		2,177	1,775
Total current liabilities		**28,721**	**21,558**
Total liabilities		**36,399**	**25,669**
TOTAL EQUITY AND LIABILITIES		**89,945**	**72,021**

^ value less than Rs. 0.5 million

The accompanying notes 1 to 36 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

JACLYN DESOUZA Digitally signed by JACLYN DESOUZA Date: 2025.03.07 01:04:24 +05'30'

Jaclyn Desouza
Partner
Membership number: 124629
Place: Rovaniemi
Date: March 07, 2025

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES LIMITED
CIN: U72900MH1992PLC069662

SRIKRISHNA RAMAKARTHIKEYAN Digitally signed by SRIKRISHNA RAMAKARTHIKEYAN Date: 2025.03.06 23:26:52 +05'30'

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: Mumbai
Date: March 06. 2025

NEERAJ BHARADWAJ Digitally signed by NEERAJ BHARADWAJ Date: 2025.03.07 00:38:20 +05'30'

Neeraj Bharadwaj
Director
DIN 01314963
Place: Palo Alto
Date: March 06. 2025

KAPIL MODI Digitally signed by KAPIL MODI Date: 2025.03.06 23:42:17 +05'30'

Kapil Modi
Director
DIN 07055408
Place: Mumbai
Date: March 06. 2025

VIKASH KUMAR JAIN Digitally signed by VIKASH KUMAR JAIN Date: 2025.03.06 23:28:14 +05'30'

Vikash Kumar Jain
Chief Financial Officer
Place: Mumbai
Date: March 06, 2025

GUNJAN SUMIT METHI Digitally signed by GUNJAN SUMIT METHI Date: 2025.03.06 23:33:17 +05'30'

Gunjan Methi
Company Secretary
Place: Mumbai
Date: March 06, 2025

Hexaware Technologies Limited

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra - 400710, India

CIN: U72900MH1992PLC069662

(Rupees in millions, except share and per share data, unless otherwise stated)

Consolidated Statement of Profit and Loss

	Note No.	For the year ended December 31, 2024	For the year ended December 31, 2023
INCOME			
Revenue from operations	21	119,744	103,803
Other income	22	749	88
TOTAL INCOME		**120,493**	**103,891**
EXPENSES			
Employee benefits expense	23	69,649	61,282
Finance costs	25	660	378
Depreciation and amortisation expense	26	2,788	2,836
Other expenses	24	31,793	26,710
TOTAL EXPENSES		**104,890**	**91,206**
PROFIT BEFORE TAX		**15,603**	**12,685**
Tax expense			
Current tax		3,734	2,830
Deferred tax charge / (credit)		129	(121)
Total tax expense	11	**3,863**	**2,709**
PROFIT FOR THE YEAR		**11,740**	**9,976**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		(92)	(47)
Income tax relating to items that will not be reclassified to profit or loss	11	16	9
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statements of foreign operations		492	410
Net change in fair value of cash flow hedges		(365)	228
Income tax relating to items that will be reclassified to profit or loss	11	73	(44)
TOTAL OTHER COMPREHENSIVE INCOME		**124**	**556**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**11,864**	**10,532**
Profit for the year attributable to:			
Shareholders of the Company		11,764	9,976
Non-controlling interests		(24)	-
		11,740	**9,976**
Other Comprehensive Income / (Losses) attributable to:			
Shareholders of the Company		125	556
Non-controlling interests		(1)	-
		124	**556**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		11,889	10,532
Non-controlling interests		(25)	-
		11,864	**10,532**
Earnings per share:- Basic and diluted (Rs.)	27		
Basic		19.37	16.45
Diluted		19.29	16.41

The accompanying notes 1 to 36 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

JACLYN DESOUZA Digitally signed by JACLYN DESOUZA Date: 2025.03.07 01:05:42 +05'30'

Jaclyn Desouza
Partner
Membership number: 124629
Place: Rovaniemi
Date: March 07, 2025

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES LIMITED
CIN: U72900MH1992PLC069662

SRIKRISHNA RAMAKARTHIKEYAN Digitally signed by SRIKRISHNA RAMAKARTHIKEYAN Date: 2025.03.06 23:27:17 +05'30'

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: Mumbai
Date: March 06, 2025

NEERAJ BHARADWAJ Digitally signed by NEERAJ BHARADWAJ Date: 2025.03.07 00:39:50 +05'30'

Neeraj Bharadwaj
Director
DIN 01314963
Place: Palo Alto
Date: March 06, 2025

KAPIL MODI Digitally signed by KAPIL MODI Date: 2025.03.06 23:43:18 +05'30'

Kapil Modi
Director
DIN 07055408
Place: Mumbai
Date: March 06, 2025

VIKASH KUMAR JAIN Digitally signed by VIKASH KUMAR JAIN Date: 2025.03.06 23:28:42 +05'30'

Vikash Kumar Jain
Chief Financial Officer

Place: Mumbai
Date: March 06, 2025

GUNJAN SUMIT METHI Digitally signed by GUNJAN SUMIT METHI Date: 2025.03.06 23:33:46 +05'30'

Gunjan Methi
Company Secretary

Place: Mumbai
Date: March 06, 2025

Hexaware Technologies Limited

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra - 400710, India
CIN: U72900MH1992PLC069662
(Rupees in millions, except share and per share data, unless otherwise stated)

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Balance as at January 01, 2024	Changes in equity share capital during the year[1]	Balance as at December 31, 2024
607	1	608

Balance as at January 01, 2023	Changes in equity share capital during the year[1]	Balance as at December 31, 2023
604	3	607

B. OTHER EQUITY

	Share application money pending allotment	Reserves and surplus							Other comprehensive income		Equity attributable to shareholders of the Company	Non- controlling interests	Total equity
		Securities premium	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve (FCTR)[2]	Cashflow hedging reserve (CFHR)			
Balance as at January 01, 2024	-	5,162	3	11	1,896	202	2,144	32,298	4,100	(71)	45,745	-	45,745
Profit for the year	-	-	-	-	-	-	-	11,764	-	-	11,764	(24)	11,740
Other comprehensive income / (losses) (net of tax)	-	-	-	-	-	-	-	(76)	493	(292)	125	(1)	124
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,688**	**493**	**(292)**	**11,889**	**(25)**	**11,864**
Dividend paid	-	-	-	-	-	-	-	(5,314)	-	-	(5,314)	-	(5,314)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	552	-	-	(552)	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(234)	-	-	234	-	-	-	-	-
Received / transferred on exercise of stock options	^	-	-	-	-	-	-	-	-	-	^	-	^
Amount transferred on cancellation of Group Plan[3]	-	-	-	-	-	362	-	-	-	-	362	-	362
Compensation related to employee share based payments	-	-	-	-	-	279	-	-	-	-	279	-	279
NCI on incorporation of partly owned subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2	2
Balance as at December 31, 2024	**^**	**5,162**	**3**	**11**	**2,214**	**843**	**2,144**	**38,354**	**4,593**	**(363)**	**52,961**	**(23)**	**52,938**
Balance as at January 01, 2023	^	4,761	3	11	722	674	2,144	28,876	3,690	(255)	40,626	-	40,626
Profit for the year	-	-	-	-	-	-	-	9,976	-	-	9,976	-	9,976
Other comprehensive income / (losses) (net of tax)	-	-	-	-	-	-	-	(38)	410	184	556	-	556
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,938**	**410**	**184**	**10,532**	**-**	**10,532**
Dividend paid	-	-	-	-	-	-	-	(5,308)	-	-	(5,308)	-	(5,308)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	1,249	-	-	(1,249)	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(75)	-	-	75	-	-	-	-	-
Received / transferred on exercise of stock options	^	401	-	-	-	(401)	-	-	-	-	^	-	^
Repurchase of restricted stock units[4]	-	-	-	-	-	-	-	(34)	-	-	(34)	-	(34)
Compensation related to employee share based payments	-	-	-	-	-	(71)	-	-	-	-	(71)	-	(71)
Balance as at December 31, 2023	**-**	**5,162**	**3**	**11**	**1,896**	**202**	**2,144**	**32,298**	**4,100**	**(71)**	**45,745**	**-**	**45,745**

Notes

1 Refer to note 16

2 includes loss of Rs. 7 million for the year ended December 31, 2023 and gain of Rs. 22 million for year ended December 31, 2024 transferred from the Foreign currency translation reserve (FCTR) to Profit & Loss on account of liquidation of Romania subsidiary and Russia subsidiary respectively.

3 During the year ended December 31, 2024, ESOP plan of Group Company is discontinued and replaced with ESOP plan issued by the company, hence cumulative liability on the date of replacement is transferred to share options outstanding account.

4 Refer to note 30

5 ^ value less than Rs. 0.5 million

Consolidated Statement of Changes in Equity (continued)

Nature and purpose of reserves

a Securities premium
Securities premium is used to record the premium received on issue of shares to be utilized in accordance with the provisions of the Companies Act, 2013 (the Act).

b Capital reserve
Capital reserve represents reserve on amalgamation.

c Capital redemption reserve
Capital redemption reserve is created on buy-back of the equity shares in accordance with the provisions of the Act.

d Special Economic Zone re-investment reserve
The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1) (ii) of the Income-tax Act, 1961. The reserve will be utilised by the Group for acquiring new plant & machinery for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

e Share option outstanding account
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
General reserve represents appropriation of profits by the Group.

g Cash flow hedging reserve (CFHR)
The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

h Retained earnings
Retained earnings comprise of the accumulated undistributed earnings.

i Foreign currency translation reserve (FCTR)
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the FCTR.

The accompanying notes 1 to 36 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

JACLYN DESOUZA Digitally signed by JACLYN DESOUZA Date: 2025.03.07 01:06:50 +05'30'

Jaclyn Desouza
Partner
Membership number: 124629
Place: Rovaniemi
Date: March 07, 2025

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES LIMITED
CIN: U72900MH1992PLC069662

SRIKRISHNA RAMAKARTHIKEYAN Digitally signed by SRIKRISHNA RAMAKARTHIKEYAN Date: 2025.03.06 23:27:36 +05'30'

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: Mumbai
Date: March 06, 2025

NEERAJ BHARADWAJ Digitally signed by NEERAJ BHARADWAJ Date: 2025.03.07 00:40:27 +05'30'

Neeraj Bharadwaj
Director
DIN 01314963
Place: Palo Alto
Date: March 06, 2025

KAPIL MODI Digitally signed by KAPIL MODI Date: 2025.03.06 23:45:56 +05'30'

Kapil Modi
Director
DIN 07055408
Place: Mumbai
Date: March 06, 2025

VIKASH KUMAR JAIN Digitally signed by VIKASH KUMAR JAIN Date: 2025.03.06 23:29:03 +05'30'

Vikash Kumar Jain
Chief Financial Officer
Place: Mumbai
Date: March 06, 2025

GUNJAN SUMIT METHI Digitally signed by GUNJAN SUMIT METHI Date: 2025.03.06 23:34:19 +05'30'

Gunjan Methi
Company Secretary
Place: Mumbai
Date: March 06, 2025

(Rupees in millions, except share and per share data, unless otherwise stated)

Consolidated Statement of Cash Flows

	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flow from operating activities		
Profit before tax	**15,603**	**12,685**
Adjustments for:		
Depreciation and amortisation expense	2,788	2,836
Employee stock option compensation cost	353	264
Interest income	(376)	(63)
Life time expected credit loss	340	500
Net (gains)/losses on investments carried at fair value through profit or loss	(140)	(84)
Profit on sale of property, plant and equipment (PPE) (net)	3	(4)
Exchange rate difference (net) - unrealised	(1)	^
Finance costs	660	378
Operating profit before working capital changes	**19,230**	**16,512**
Adjustments for:		
Trade receivables and other assets	(4,347)	(220)
Trade payables, other liabilities and provisions	3,719	1,443
Cash generated from operating activities	**18,602**	**17,735**
Direct taxes paid (net)	(3,122)	(2,579)
Net cash generated from operating activities	**15,480**	**15,156**
Cash flow from investing activities		
Purchase of PPE and intangible assets including capital work-in-progress and capital advances	(1,333)	(643)
Proceeds from sale of property, plant and equipment	21	9
Purchase of investments	(17,050)	(6,201)
Proceeds from sale/redemption of investments	19,696	3,778
Payment towards acquisition of business (net of cash acquired) (Refer to note 8)	(8,268)	-
Interest received	244	61
Net cash used in investing activities	**(6,690)**	**(2,996)**
Cash flow from financing activities		
Proceeds from issue of shares / share application money	1	3
Repurchase of restricted stock units	-	(190)
Payment towards lease liabilities including interest on lease liabilities	(1,370)	(1,033)
Proceeds from short term borrowing	2,930	-
Repayment of short term borrowing	(2,930)	(837)
Interest paid	(136)	(136)
Dividend paid	(5,314)	(5,308)
Net cash used in financing activities	**(6,819)**	**(7,501)**
Net increase in cash and cash equivalents	**1,971**	**4,659**
Cash and cash equivalents at the beginning of the year	17,734	12,916
Exchange difference on translation of foreign currency cash and cash equivalents	61	159
Cash and cash equivalents at the end of the year (Refer to note 15A)	**19,766**	**17,734**

Reconciliation of Borrowings

Particulars	For the year ended December 31, 2024 Short Term	For the year ended December 31, 2023 Short Term
Opening Balance	-	827
Borrowing made during the year	2,930	-
Interest accrued during the year	10	25
Borrowing repaid (including interest) during the year	(2,940)	(862)
Adjustment on account of currency translation	^	10
Closing Balance	-	-

^ value less than Rs. 0.5 million

The accompanying notes 1 to 36 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

JACLYN DESOUZA Digitally signed by JACLYN DESOUZA Date: 2025.03.07 01:07:41 +05'30'

Jaclyn Desouza
Partner
Membership number: 124629
Place: Rovaniemi
Date: March 07, 2025

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES LIMITED
CIN: U72900MH1992PLC069662

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R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: Mumbai
Date: March 06, 2025

NEERAJ BHARADWAJ Digitally signed by NEERAJ BHARADWAJ Date: 2025.03.07 00:41:03 +05'30'

Neeraj Bharadwaj
Director
DIN 01314963
Place: Palo Alto
Date: March 06, 2025

KAPIL MODI Digitally signed by KAPIL MODI Date: 2025.03.06 23:46:52 +05'30'

Kapil Modi
Director
DIN 07055408
Place: Mumbai
Date: March 06, 2025

VIKASH KUMAR JAIN Digitally signed by VIKASH KUMAR JAIN Date: 2025.03.06 23:29:32 +05'30'

Vikash Kumar Jain
Chief Financial Officer

Place: Mumbai
Date: March 06, 2025

GUNJAN SUMIT METHI Digitally signed by GUNJAN SUMIT METHI Date: 2025.03.06 23:34:49 +05'30'

Gunjan Methi
Company Secretary

Place: Mumbai
Date: March 06, 2025

Notes forming part of Consolidated Financial Statements

1 Company Overview

Hexaware Technologies Limited ("Hexaware" or "the Holding Company") is a public limited company incorporated in India. The Holding Company, along with its subsidiaries ("the Group"), is actively involved in information technology consulting, software development, business process services (BPS), data and AI, cloud, Digital IT operations, and enterprise platforms. Hexaware delivers a range of services to clients across diverse industries, including travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, retail, consumers, telecom, and utilities. The broad spectrum of service offerings encompasses application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process, digital assurance, testing, Generative AI, and sustainability.

The Consolidated Financial Statements present the consolidated accounts of Hexaware Technologies Limited with its subsidiaries which are listed in Note 4 - Additional Information.

2 Material Accounting Policies

2.1 Statement of compliance

The Consolidated 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") read with [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended from time to time.

2.2 Basis of preparation

These Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period as explained in the accounting policies below.

These Consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Holding 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

Subsidiaries

The Consolidated Financial Statements incorporate the financial information of the Holding Company and its subsidiaries.

The financial statements 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. The consolidated financial statements are prepared by applying uniform accounting policies used in Group.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group 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 Group gains control until the date when the Group 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 Group.

2.4 Critical accounting judgements and key source of estimation uncertainty

The preparation of the Consolidated 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:

2.4.1 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 Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group 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.

Cost to fulfill/obtain contract 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.

2 Material Accounting Policies (Continued)

2.4.2 Income-tax

The major tax jurisdiction for the Group is India though the Group 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.

2.4.3 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 judgement. 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.

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.

2.4.4 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.

2.4.5 Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.4.6 Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

2.4.7 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.5 Business Combination

The Group accounts for its business acquisitions using the acquisition method of accounting. Acquisition-related costs are recognised in statement of profit and 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 share of acquiree's identifiable net asset. The choice of measurement basis is made on an acquisition-by- acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's 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.

Notes forming part of Consolidated Financial Statements

2 Material Accounting Policies (Continued)

2.7 Revenue Recognition

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 a 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 recognized 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 period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

Revenue from fixed price maintenance contracts, testing and business process services are recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When value of services provided is uniform over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

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.

Revenues in excess of billing are classified as unbilled receivables while billing in excess of revenues are classified as contract liabilities (unearned revenues). Invoicing to the clients for fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled receivables for fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

The Group recognizes an onerous cost provision for the estimated losses in the statement of profit and loss, when the total estimated cost exceeds the revenue in an arrangement based on the current contract estimates.

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.

Group as a lessee

The Group 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.

2 Material Accounting Policies (Continued)

2.8 Leases (Continued)

The Group 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 recognized as 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 Group 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 Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, 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 Group 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.

Group 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 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.

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 recognized in the statement of profit and loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

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 and loss have been translated using average exchange rates. Translation adjustments have been reported as Foreign currency translation reserve (FCTR) 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 statement of profit and loss.

Notes forming part of Consolidated Financial Statements

2 Material Accounting Policies (Continued)

2.11 Employee Benefits

2.11.1 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 recognized 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 statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of plan amendment. The retirement benefit liability recognized in the balance sheet 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 statement of profit or loss.

2.11.2 Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.11.3 Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

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 Group revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

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 tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

Advance taxes and provisions for current income taxes 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.

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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2 Material Accounting Policies (Continued)

2.14 Property, plant and equipment (PPE)

PPE are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, 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 statement of profit and 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 table summarises the nature of intangibles and the estimated useful lives.

Asset Class	**Estimated useful Life**
Software licenses	3 years
Brand	1-2 years
Customer contracts / relations	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 statement of profit and loss.

2.16 Impairment

2.16.1 Financial assets (other than at fair value)

The Group assesses at each balance sheet date whether a financial asset in form of trade receivables and unbilled receivables is impaired. In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivables and unbilled receivables. The provision matrix is based on available external and internal credit risk factors such as credit default and Group's historically observed default rates over the expected life of trade receivables and unbilled receivables and is adjusted for forward looking information. ECL impairment loss allowance or reversal is recognized during the period as expense or income respectively in the statement of profit and loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months 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 Group 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.

2.16.2 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 statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(ii) Tangible, Intangible assets and Right-of-use of asset

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. 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 statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

In case of reversal of impairment loss, the increased carrying amount shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.17 Provisions and contingent liabilities

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.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract is lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements.

Notes forming part of Consolidated Financial Statements

2 Material Accounting Policies (Continued)

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, except for trade receivables which are initially measured at transaction price. 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.

2.18.1 Financial assets and financial liabilities

(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 whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

(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.

2.18.2 Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

2.18.3 Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

2.19 Derivative financial instruments and hedge accounting

The Group designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. The Group uses hedging instruments that are governed by the policies of the Group and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges at the inception of the contract.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and 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 statement of profit and loss for the period and is grouped under exchange rate difference.

Instruments not in hedging relationship

The Group enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in the statement of profit and loss.

2.20 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Holding 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 Holding 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 Consolidated Financial Statements by the Board of Directors.

2.21 Dividend and interest income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended December 31, 2024, MCA has notified Ind AS 117 – Insurance Contracts applicable to the Group w.e.f. January 1, 2025. The Group has reviewed the new standard and based on its evaluation has determined that it does not have any significant impact in its Consolidated Financial Statements.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

4 Additional information
(pursuant to para 2 of general instructions for the preparation of consolidated financial statements)

For the year ended December 31, 2024

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	Rupees Million	% of Consolidated	Rupees Million	% of Consolidated	Rupees Million	% of Consolidated	Rupees Million
1	Hexaware Technologies Limited (Holding)	India	57.6%	31,520	62.6%	7,840	97.8%	(361)	61.5%	7,479
	Wholly owned subsidiaries (Foreign)									
1	Hexaware Technologies Inc.	USA	22.3%	12,206	22.3%	2,789	-	-	22.9%	2,789
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	2.8%	1,535	1.3%	158	-	-	1.3%	158
3	Hexaware Technologies UK Ltd	UK	4.7%	2,544	4.4%	548	-	-	4.5%	548
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	1.4%	764	0.4%	50	-	-	0.4%	50
5	Hexaware Technologies GmbH	Germany	1.0%	521	0.4%	51	-	-	0.4%	51
6	Hexaware Technologies Canada Limited	Canada	0.8%	428	0.8%	103	-	-	0.8%	103
7	Hexaware Technologies LLC[1]	Russia	-	-	0.2%	23	-	-	0.2%	23
8	Hexaware Technologies Saudi LLC	Saudi Arabia	(0.1%)	(63)	(0.3%)	(33)	-	-	(0.3%)	(33)
9	Hexaware Technologies Hong Kong Limited	Hong Kong	0.2%	96	0.0%	4	-	-	0.0%	4
10	Hexaware Technologies Nordic AB	Sweden	0.1%	45	0.1%	7	-	-	0.1%	7
11	Hexaware Information Technologies (Shanghai) Company Limited	China	0.0%	20	0.0%	2	-	-	0.0%	2
12	Mobiquity Inc	USA	6.3%	3,452	1.8%	220	-	-	1.8%	220
13	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	USA	(0.3%)	(176)	-	-	-	-	-	-
14	Mobiquity Coöperatief U.A. (Subsidiary of Mobiquity Inc.)	Netherlands	-	-	-	-	-	-	-	-
15	Mobiquity BV (Subsidiary of Mobiquity Coöperatief U.A.)	Netherlands	(0.3%)	(173)	0.5%	64	-	-	0.5%	64
16	Mobiquity Consulting BV (formerly known as Morgan Clark BV) (Subsidiary of Mobiquity Coöperatief U.A.)	Netherlands	(0.3%)	(147)	0.1%	14	-	-	0.1%	14
17	Hexaware Technologies South Africa (Pty) Ltd	South Africa	0.0%	21	0.0%	1	-	-	0.0%	1
18	Hexaware Technologies ARG S.A.S.	Argentina	0.0%	1	0.0%	^	-	-	0.0%	^
19	Hexaware Technologies Belgium SRL	Belgium	0.1%	32	0.1%	14	-	-	0.1%	14
20	Hexaware Technologies SL (Private) Limited[2]	Sri Lanka	0.0%	11	0.0%	2	-	-	0.0%	2
21	Softcrylic LLC [4]	USA	2.4%	1,287	4.0%	505	-	-	4.2%	505
22	Softcrylic Technologies Inc (Subsidiary of Softcrylic LLC) [4]	Canada	0.0%	3	0.0%	^	-	-	0.0%	^
23	Hexaware Nevada, Inc [5]	USA	-	-	-	-	-	-	-	-
24	Hexaware Information Technologies SDN. BHD. [7]	Malaysia	-	-	-	-	-	-	-	-
	Wholly owned subsidiaries (Indian)									
1	Mobiquity Softech Private Limited	India	1.4%	748	1.4%	171	1.6%	(6)	1.4%	165
2	Softcrylic Technology Solutions India Private Limited [4]	India	0.2%	86	0.5%	60	0.5%	(2)	0.5%	58
	Partly owned subsidiaries (Foreign)									
1	Hexaware Al Balagh Technologies LLC (65% ownership)[3]	Qatar	(0.2%)	(88)	(0.5%)	(67)	-	-	(0.6%)	(67)
2	Hexaware Novelty Technologies Ltd (70% ownership)[6]	UAE	0.0%	2	-	-	-	-	-	-
			100.0%	54,675	100.0%	12,526	100.0%	(369)	100.0%	12,157
	Adjustment arising out of consolidation			(1,129)		(786)		493		(293)
	Non-controlling interests (Foreign)									
1	Hexaware Al Balagh Technologies LLC (65% ownership)[3]	Qatar		23		24		1		**25**
2	Hexaware Novelty Technologies Ltd (70% ownership)[6]	UAE		^		^		^		^
	Total Non-controlling interests			**23**		**24**		1		**25**
				53,569		11,764		125		11,889

Notes
1 Liquidated w.e.f February 21, 2024.
2 Incorporated w.e.f February 28, 2024.
3 Incorporated w.e.f December 05, 2023.
4 Acquired w.e.f May 03, 2024.
5 Incorporated w.e.f September 11, 2024.
6 Incorporated w.e.f August 13, 2024.
7 Incorporated w.e.f December 13, 2024.
8 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

4 Additional information (continued)
(pursuant to para 2 of general instructions for the preparation of consolidated financial statements)

For the year ended December 31, 2023

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	Rupees Million	% of Consolidated	Rupees Million	% of Consolidated	Rupees Million	% of Consolidated	Rupees Million
1	Hexaware Technologies Limited (Holding)	India	62.0%	28,713	69.8%	7,270	98.6%	144	70.2%	7,414
	Wholly owned subsidiaries (Foreign)									
1	Hexaware Technologies Inc.	USA	21.2%	9,624	13.0%	1,358	-	-	13.0%	1,358
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	3.6%	1,656	2.0%	205	-	-	1.9%	205
3	Hexaware Technologies UK Ltd	UK	4.2%	1,963	4.4%	457	-	-	4.3%	457
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	1.5%	715	0.2%	22	-	-	0.2%	22
5	Hexaware Technologies GmbH	Germany	1.0%	486	0.2%	22	-	-	0.2%	22
6	Hexaware Technologies Canada Limited	Canada	0.7%	346	0.6%	59	-	-	0.6%	59
7	Hexaware Technologies LLC[2]	Russia	0.0%	1	(0.0%)	(4)	-	-	(0.0%)	(4)
8	Hexaware Technologies Saudi LLC	Saudi Arabia	(0.1%)	(29)	(0.4%)	(38)	-	-	(0.4%)	(38)
9	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd.)[1]	Romania	-	-	1.3%	135	-	-	1.3%	135
10	Hexaware Technologies Hong Kong Limited	Hong Kong	0.2%	89	0.0%	2	-	-	0.0%	2
11	Hexaware Technologies Nordic AB	Sweden	0.1%	40	0.0%	5	-	-	0.0%	5
12	Hexaware Information Technologies (Shanghai) Company Limited	China	0.0%	5	0.0%	1	-	-	0.0%	1
13	Mobiquity Inc	USA	5.7%	2,640	10.0%	1,040	-	-	9.8%	1,040
14	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	USA	(0.4%)	(171)	-	-	-	-	-	-
15	Mobiquity Coöperatief U.A. (Subsidiary of Mobiquity Inc.)	Netherlands	-	-	-	-	-	-	-	-
16	Mobiquity BV (Subsidiary of Mobiquity Coöperatief U.A.)	Netherlands	(0.5%)	(243)	(2.1%)	(221)	-	-	(2.1%)	(221)
17	Mobiquity Consulting BV (formerly known as Morgan Clark BV) (Subsidiary of Mobiquity Coöperatief U.A.)	Netherlands	(0.4%)	(163)	(0.6%)	(67)	-	-	(0.6%)	(67)
18	Hexaware Technologies South Africa (Pty) Ltd	South Africa	0.0%	20	0.1%	6	-	-	0.1%	6
19	Hexaware Technologies ARG S.A.S.	Argentina	-	^	-	^	-	-	-	^
20	Hexaware Technologies Belgium SRL	Belgium	0.0%	18	0.0%	3	-	-	0.0%	3
	Wholly owned subsidiaries (Indian)									
1	Mobiquity Softech Private Limited	India	1.2%	576	1.5%	161	1.4%	2	1.5%	163
	Partly owned subsidiaries (Foreign)									
1	Hexaware Al Balagh Technologies LLC (65% ownership)[3]	Qatar	-	-	-	-	-	-	-	-
			100.0%	**46,286**	**100.0%**	**10,416**	**100.0%**	**146**	**100.0%**	**10,562**
	Adjustment arising out of consolidation			66		(440)		410		(30)
				46,352		**9,976**		**556**		**10,532**

Notes
1. Hexaware Technologies Romania SRL was liquidated effective September 13, 2023.
2. Hexaware Technologies LLC is in the process of liquidation.
3. Hexaware Al Balagh Technologies LLC was incorporated w.e.f December 05, 2023.
4. ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

5 Right-of-use assets and Lease liabilities

A Right-of-use assets

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

	IT Equipment	Office premises	Leasehold land	Vehicle	Total
Cost as at January 01, 2024	-	6,091	547	141	6,779
Additions	210	2,773	-	4	2,987
Additions due to Business Combination (Refer to note 8)	-	44	-	-	44
Disposals / Remeasurement	-	(810)	-	(23)	(833)
Translation exchange difference	-	(13)	-	(5)	(18)
Cost as at December 31, 2024	**210**	**8,085**	**547**	**117**	**8,959**
Accumulated amortisation as at January 01, 2024	-	2,883	26	109	3,018
Amortisation for the year	14	946	7	19	986
Disposals / Remeasurement	-	(655)	-	(20)	(675)
Translation exchange difference	-	38	-	(4)	34
Accumulated amortisation as at December 31, 2024	**14**	**3,212**	**33**	**104**	**3,363**
Net carrying amount as at December 31, 2024	**196**	**4,873**	**514**	**13**	**5,596**
Cost as at January 01, 2023	-	5,255	546	142	5,943
Additions	-	1,002	1	-	1,003
Disposals / Remeasurement	-	(272)	-	(7)	(279)
Translation exchange difference	-	106	-	6	112
Cost as at December 31, 2023	**-**	**6,091**	**547**	**141**	**6,779**
Accumulated amortisation as at January 01, 2023	-	1,962	19	84	2,065
Amortisation for the year[1]	-	1,097	7	25	1,129
Disposals / Remeasurement	-	(233)	-	(4)	(237)
Translation exchange difference	-	57	-	4	61
Accumulated amortisation as at December 31, 2023	**-**	**2,883**	**26**	**109**	**3,018**
Net carrying amount as at December 31, 2023	**-**	**3,208**	**521**	**32**	**3,761**

Payment towards leases of low-value assets and leases with less than twelve months of lease term, are disclosed under operating activities in the statement of cash flows. All other lease payments during the year are disclosed under financing activities in the statement of cash flows.

B Lease liabilities

	Opening Balance	Payment of lease liabilities	Non-cash movement: Net additions to lease liability [2]	Non-cash movement: Translation exchange rate differences	Closing Balance
December 31, 2024	3,936	(1,370)	3,207	(31)	5,742
December 31, 2023	3,738	(1,033)	1,247	(16)	3,936

The maturity analysis of lease liabilites is covered under Note 29.

On transition to IND AS 116, the group had recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset was recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the group's incremental borrowing rate as at January 1, 2020.

Notes

1 includes accelerated amortisation of RoU of certain offices leases on optimisation of Rs. 233 million for year ended December 31, 2023.

2 includes Rs. 52 million on account of additions due to Business Combination for the year ended December 31, 2024. (Refer to note 8)

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

6 Property, plant and equipment

Property, plant and equipment (PPE) consist of the following:

	Freehold Land	Buildings	Plant and Machinery [1]	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total (A)	Capital Work in Progress (B)	Total (A+B)
Cost as at January 01, 2024	^	4,246	4,637	1,212	30	2,312	496	12,933	552	13,485
Additions	-	-	431	30	9	72	44	586	808	1,394
Additions due to Business Combination (Refer to note 8)	-	-	8	^	-	-	-	8	-	8
Capitalised	-	-	-	-	-	-	-	-	(52)	(52)
(Disposals)	-	^	(203)	(91)	-	(64)	(143)	(501)	-	(501)
Translation exchange difference	-	-	(15)	(7)	-	(9)	(26)	(57)	-	(57)
Cost as at December 31, 2024	**^**	**4,246**	**4,858**	**1,144**	**39**	**2,311**	**371**	**12,969**	**1,308**	**14,277**
Accumulated depreciation as at January 01, 2024	-	721	3,674	924	23	2,000	334	7,676	-	7,676
Depreciation for the year	-	92	610	92	5	178	73	1,050	-	1,050
(Disposals)	-	^	(191)	(82)	-	(61)	(143)	(477)	-	(477)
Translation exchange difference	-	-	(4)	(10)	-	(9)	(19)	(42)	-	(42)
Accumulated depreciation as at December 31, 2024	**-**	**813**	**4,089**	**924**	**28**	**2,108**	**245**	**8,207**	**-**	**8,207**
Net carrying amount as at December 31, 2024	**^**	**3,433**	**769**	**220**	**11**	**203**	**126**	**4,762**	**1,308**	**6,070**
Cost as at January 01, 2023	^	4,240	4,587	1,189	30	2,239	453	12,738	63	12,801
Additions	-	6	224	20	-	83	29	362	551	913
Capitalised	-	-	-	-	-	-	-	-	(62)	(62)
(Disposals)	-	-	(236)	(7)	-	(20)	(8)	(271)	-	(271)
Translation exchange difference	-	-	62	10	-	10	22	104	-	104
Cost as at December 31, 2023	**^**	**4,246**	**4,637**	**1,212**	**30**	**2,312**	**496**	**12,933**	**552**	**13,485**
Accumulated depreciation as at January 01, 2023	-	606	3,228	824	20	1,790	285	6,753	-	6,753
Depreciation for the year	-	115	639	98	3	223	41	1,119	-	1,119
(Disposals)	-	-	(232)	(7)	-	(19)	(8)	(266)	-	(266)
Translation exchange difference	-	-	39	9	-	6	16	70	-	70
Accumulated depreciation as at December 31, 2023	**-**	**721**	**3,674**	**924**	**23**	**2,000**	**334**	**7,676**	**-**	**7,676**
Net carrying amount as at December 31, 2023	**^**	**3,525**	**963**	**288**	**7**	**312**	**162**	**5,257**	**552**	**5,809**

On transition to IND AS, the group has elected to continue with the carrying value of property,plant and equipment recognised as at January 01, 2016 measured as per previous GAAP and use that carrying value as deemed cost of property, plant and equipment.

Notes:
1 Plant and machinery includes computers.
2 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

6 Property, plant and equipment (Continued)

Capital work-in-progress ageing

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at December 31, 2024	1,043	213	11	41	**1,308**
As at December 31, 2023	500	11	1	40	**552**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

7 Goodwill

	As at December 31, 2024	As at December 31, 2023
Opening balance	14,290	14,205
Additions due to business combination (Refer to Note - 8)	8,933	-
Translation exchange rate differences	648	85
Closing balance	**23,871**	**14,290**

Considering the synergies accruing to the CGUs, the Group allocates the carrying value of goodwill allocated to CGUs as follows:

	As at December 31, 2024	As at December 31, 2023
CGUs		
Travel and Transportation (T&T)	1,923	1,155
Financial Services (FS)	6,804	3,932
Banking	2,054	1,256
Healthcare & Insurance (H&I)	5,052	3,100
Hi-Tech and Professional Services (HTPS)	4,121	2,290
Manufacturing and Consumer (M & C)	3,917	2,557
Total	**23,871**	**14,290**

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 at December 31, 2024 and December 31, 2023.

The estimated value in use of CGUs is based on the future cash flows using a terminal growth rate of 5% for periods subsequent to the forecasted period of 5 years and discount rate of 10.7% to 11.7% for the year ended December 31, 2024 (12.12% for the year ended December 31, 2023). 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.

8 Business Combination

Summary of acquisition during the year ended December 31, 2024 is given below:
On May 3, 2024, the Group acquired 100% ownership interest of Softcrylic LLC and Softcrylic Technology Solutions India Pvt. Ltd.
Softcrylic is a premier data consulting firm headquartered in USA. Softcrylic has expertise in customer journeys and marketing technology and it would enable the Group to extend and customize the data journey beyond marketing into multiple lines of business.

Purchase price has been allocated as set out below, to the assets acquired and liabilities assumed in the business combination:

Particulars	Rs Million
Property plant and equipment	8
Right-of-use assets	44
Cash and cash equivalents	189
Trade receivables - billed and unbilled	553
Other assets	48
Customer relations	2,760
Software	1
Brand	34
Other liabilities	256
Fair value of net assets as on the date of acquisition (A)	**3,381**
Purchase consideration (B)	**12,314**
Goodwill (B-A)	**8,933**

Details of the purchase consideration is as below:

Particulars	Rs Million
Initial upfront cash consideration	8,373
Deferred Consideration on account of Working Capital Adjustment [1]	84
Present value of contingent consideration payable in March 2025	1,985
Present value of contingent consideration payable in March 2026	1,872
Total	**12,314**

The present value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Softcrylic. The key inputs used in determination of the present value of contingent consideration are the discount rate and probabilities of achievement of the financial targets.

The Goodwill represents assembled workforce and expected synergies from the combined operations. Goodwill and intangible assets acquired are tax deductible with a useful life of 15 years under tax laws.

The proforma effect of acquisition is not material on Group's results.

The transaction costs of Rs. 229 million has been included in the statement of profit and loss account and shown as an one time expense.

Considering the aforesaid business combination, the financials for the year ended December 31, 2024 are not comparable with that of the previous years.

Notes:
1 Deferred Consideration on account of Working Capital Adjustment was subsequently paid during the year ended December 31, 2024.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

9 Other Intangible assets

	Brand	Software licenses	Customer Contracts / Relations	Total
Cost as at January 01, 2024	164	785	3,813	4,762
Additions	-	1	-	1
Additions due to Business Combination (Refer to note 8)	34	1	2,760	2,795
Disposals	(164)	(19)	(13)	(196)
Translation exchange difference	1	8	180	189
Cost as at December 31, 2024	**35**	**776**	**6,740**	**7,551**
Accumulated amortisation as at January 01, 2024	164	773	2,598	3,535
Amortisation for the year[1]	15	10	727	752
Disposals	(164)	(19)	(13)	(196)
Translation exchange difference	1	8	85	94
Accumulated amortisation as at December 31, 2024	**16**	**772**	**3,397**	**4,185**
Net carrying amount as at December 31, 2024	**19**	**4**	**3,343**	**3,366**
Cost as at January 01, 2023	164	874	3,791	4,829
Additions	-	-	-	-
Disposals	-	(90)	-	(90)
Translation exchange difference	-	1	22	23
Cost as at December 31, 2023	**164**	**785**	**3,813**	**4,762**
Accumulated amortisation as at January 01, 2023	164	845	2,013	3,022
Amortisation for the year[1]	-	17	571	588
Disposals	-	(90)	-	(90)
Translation exchange difference	-	1	14	15
Accumulated amortisation as at December 31, 2023	**164**	**773**	**2,598**	**3,535**
Net carrying amount as at December 31, 2023	**-**	**12**	**1,215**	**1,227**

On transition to IND AS, the group has elected to continue with the carrying value of intangible assets recognised as at January 01, 2016 measured as per previous GAAP and use that carrying value as deemed cost of intangible assets.

Notes

1 Amortisation is included in the Consolidated Statement of Profit and Loss under the line item "Depreciation and amortisation expense".

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

10 Investments

A Investments – Non-current	As at December 31, 2024	As at December 31, 2023
Investments designated at fair value through OCI		
Equity shares (unquoted)		
Beta Wind Farm Pvt. Ltd. (197,958 equity shares of Rs. 10/- each) [1]	4	4
Total	**4**	**4**

B Investments – Current	As at December 31, 2024	As at December 31, 2023
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	-	2,506
Total	**-**	**2,506**

Aggregate value of quoted and unquoted investments

	As at December 31, 2024	As at December 31, 2023
Aggregate value of quoted investments	-	2,506
Aggregate value of unquoted investments	4	4
	4	**2,510**

Notes:
1 Purchase of additional shares (57,000) during the year ended December 31, 2023 for Rs. 1 million.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

11 Income taxes

A Income tax expense is allocated as follows :

		For the year ended	
		December 31, 2024	**December 31, 2023**
	Income tax expense as per the Statement of Profit and Loss	3,863	2,709
	Income tax included in Other Comprehensive Income on :		
a)	Net change in fair value of cash flow hedges	(73)	44
b)	Remeasurement of defined benefit plan	(16)	(9)
		3,774	**2,744**

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:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Profit before tax	15,603	12,685
Expected tax expense at the enacted tax rate of 34.944% in India	5,452	4,433
(Previous year 34.944%)		
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Income exempt from tax*	(1,592)	(1,436)
Tax effect of non-deductible expenses	269	71
Tax charges/ (credit) pertaining to earlier years	28	18
Tax rate differential at different jurisdiction	(342)	(242)
Others	48	(135)
	3,863	**2,709**
Consolidated Effective Tax Rate	**24.8%**	**21.4%**

*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 year of five years subject to the unit meeting defined conditions of further investments.

Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. 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 Group continues to carry tax provision of Rs. 189 million made in 2020 in relations to the related party transactions between group companies for the years 2018 and 2019 (for which MAP order was received) pending completion of limitation period for assessments in US.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

11 Income taxes (Continued)

C Deferred tax assets movement

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2024 are as follows:

Components of deferred taxes:	Opening balance	Recognised in profit or loss	Recognised in FCTR	Recognised in OCI	Closing balance
Deferred tax assets					
Life time expected credit loss	135	34	1	-	170
Brought forward losses	389	(129)	(7)	-	253
Employee benefit obligations	1,103	220	(4)	16	1,335
Lease liabilities	622	667	^	-	1,289
Minimum alternate tax credit	1,160	(497)	-	-	663
Share based payment	255	44	8	-	307
Cash flow hedges	(13)	-	-	73	60
Others	(10)	(2)	(2)	-	(14)
Total	**3,641**	**337**	**(4)**	**89**	**4,063**
Deferred tax liabilities					
Property , Plant and Equipment	148	(101)	^	-	47
ROU Assets	470	617	(1)	-	1,086
Intangible Assets	293	(49)	2	-	246
Others	3	(1)	^	-	2
Total	**914**	**466**	**1**	**-**	**1,381**
Net deferred tax asset	**2,727**	**(129)**	**(5)**	**89**	**2,682**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

Components of deferred taxes:	Opening balance	Recognised in profit or loss	Recognised in FCTR	Recognised in OCI	Closing balance
Deferred tax assets					
Life time expected credit loss	87	48	-	-	135
Brought forward losses	408	(21)	2	-	389
Employee benefit obligations	862	194	38	9	1,103
Lease liabilities	638	(16)	-	-	622
Minimum alternate tax credit	1,248	(88)	-	-	1,160
Share based payment	372	(118)	1	-	255
Cash flow hedges	31	-	^	(44)	(13)
Others	14	(24)	-	-	(10)
Total	**3,660**	**(25)**	**41**	**(35)**	**3,641**
Deferred tax liabilities					
Property , Plant and Equipment	174	(25)	(1)	-	148
ROU Assets	492	(22)	-	-	470
Intangible Assets	391	(98)	-	-	293
Others	-	(1)	4	-	3
Total	**1,057**	**(146)**	**3**	**-**	**914**
Net deferred tax asset	**2,603**	**121**	**38**	**(35)**	**2,727**

a) Deferred tax liability on temporary differences associated with investments in subsidiaries, has not been recognized, as it is the intention of the holding company to reinvest the earnings of these subsidiaries for the foreseeable future.

b) In the absence of probability of recoverability for the unused tax credits aggregating to Rs. 617 million as at December 31, 2024 and 603 million as at December 31, 2023, no tax asset is recognized in the books.

Notes:

1 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

12 Other financial assets

A Other financial assets – Non-current

	As at December 31, 2024	As at December 31, 2023
Interest accrued on bank deposits	^	1
Derivative assets	29	36
Security deposits for premises and others	681	519
Restricted bank balances[2]	51	60
Lease Receivable	-	44
Total	**761**	**660**

B Other financial assets – Current

	As at December 31, 2024	As at December 31, 2023
Interest accrued on bank deposits	136	3
Security deposits for premises and others[1]	80	23
Derivative assets	60	74
Lease Receivable	-	15
Others [4]	329	-
Total	**605**	**115**

13 Other assets

A Other assets – Non-current

	As at December 31, 2024	As at December 31, 2023
Capital advances	228	224
Costs to fulfill/obtain contract	695	614
Prepaid expenses	37	43
Indirect taxes recoverable	200	206
Contract Assets	460	-
Total	**1,620**	**1,087**

B Other assets – Current

	As at December 31, 2024	As at December 31, 2023
Costs to fulfill/obtain contract	645	526
Prepaid expenses	1,231	924
Advance to suppliers	153	38
Indirect taxes recoverable	594	536
Employee advances	136	107
Contract assets	2,316	643
Others	13	21
Total	**5,088**	**2,795**

14 Trade receivables - Billed - Current (Unsecured)

	As at December 31, 2024	As at December 31, 2023
Trade receivables - Billed (Gross)	13,665	14,753
Less : Life time expected credit loss	(751)	(890)
Considered good	**12,914**	**13,863**

Notes:

1 Excludes deposits aggregating Rs. 6 million as at December 31, 2024 (Rs. 6 million as at December 31, 2023) provided as doubtful of recovery basis the expected credit loss model.
2 Restriction on account of bank deposits held as margin money.
3 ^ value less than Rs. 0.5 million
4 Balance as at December 31, 2024 includes expenses incurred in relation to IPO that are recoverable by the Group from the selling shareholder i.e. CA Magnum Holdings.

(Rupees in millions, except share and per share data, unless otherwise stated)

A Trade receivables ageing

Ageing for trade receivables as at December 31, 2024 is as follows:

	Not Due	Outstanding for following periods from due date of payment Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables - Billed (Gross)							
Undisputed trade receivables – considered good	9,754	3,227	225	60	11	29	13,306
Undisputed trade receivables – with significant increase in credit risk	2	249	-	8	-	-	259
Undisputed trade receivables – credit impaired	-	2	-	-	-	-	2
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – with significant increase in credit risk	11	73	13	1	-	-	98
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	9,767	3,551	238	69	11	29	13,665
Less - Life time expected credit loss							(751)
							12,914
Trade Receivables - Unbilled							6,841
							19,755

Ageing for trade receivables as at December 31, 2023 is as follows:

	Not Due	Outstanding for following periods from due date of payment Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables - Billed (Gross)							
Undisputed trade receivables – considered good	10,307	3,480	168	64	30	53	14,102
Undisputed trade receivables – with significant increase in credit risk	-	327	29	68	1	-	425
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	89	112	-	-	201
Disputed trade receivables – with significant increase in credit risk	-	-	19	6	-	-	25
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	10,307	3,807	305	250	31	53	14,753
Less - Life time expected credit loss							(890)
							13,863
Trade Receivables - Unbilled							4,595
							18,458

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

14B The activity in the life time expected credit loss is given below:

	As at December 31, 2024	As at December 31, 2023
Balance at the beginning of the year	890	402
Additions during the year	340	500
Additions due to Business Combination (Refer to note 8)	29	-
Charged against allowance	(509)	(27)
Translation adjustments	1	15
Balance at the end of the year	**751**	**890**

15 Cash and bank balances

A Cash and cash equivalents

	As at December 31, 2024	As at December 31, 2023
Remittance in transit	260	71
In current accounts with banks	16,067	16,150
Demand deposits with banks [2]	3,439	1,513
Unclaimed dividend accounts	106	103
Margin money with banks	51	60
	19,923	**17,897**
Less: Restricted bank balances	(157)	(163)
Total	**19,766**	**17,734**

B Other bank balances

	As at December 31, 2024	As at December 31, 2023
Restricted bank balances in respect of unclaimed dividend[1]	106	103
Total	**106**	**103**

Notes:

1 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2024 and December 31, 2023.

2 These deposits can be withdrawn by the Group at any time without prior notice and without any penalty on the principal.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

16 Equity share capital

		As at December 31, 2024	As at December 31, 2023
16.1	**Authorised capital**		
	1,050,000,000 Equity shares of face value of Re. 1 each	1,050	1,050
	1,100,000 Series "A" Preference Shares of Rs.1,421 each	1,563	1,563

		As at December 31, 2024	As at December 31, 2023
16.2	**Issued, subscribed and fully paid-up capital**		
	Equity shares of face value of Re. 1 each	608	607

		As at December 31, 2024	As at December 31, 2023
16.3	**Reconciliation of number of shares (Refer Note 16.7.2)**		
	Shares outstanding at the beginning of the year	606,817,582	604,193,326
	Shares issued during the year on exercise of employee stock options	727,086	2,624,256
	Shares outstanding at the end of the year	**607,544,668**	**606,817,582**

16.4 Rights, preferences and restrictions attached to equity shares

The Group has one class of equity shares having a face value of Re. 1 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 Group after distribution of all liabilities, in proportion to their shareholding.

		As at December 31, 2024	As at December 31, 2023
16.5	**Details of shares held by shareholders holding more than 5% shares**		
	Name of the shareholder		
	CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	577,604,202	577,604,202
		95.07%	95.19%

16.6 Disclosure of shareholding of promoters

	December 31, 2024		December 31, 2023		% change during the year
	No. of shares	**% of total shares**	**No. of shares**	**% of total shares**	
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	577,604,202	95.07%	577,604,202	95.19%	-0.12%
	December 31, 2023		**December 31, 2022**		**% change during the year**
	No. of shares	**% of total shares**	**No. of shares**	**% of total shares**	
CA Magnum Holdings (Parent Company of Hexaware Technologies Limited)	577,604,202	95.19%	577,234,956	95.54%	-0.35%

16.7 Equity share movement during the 5 years preceeding December 31, 2024.

16.7.1 The Company on October 19, 2020, received the delisting approval of the stock exchanges (BSE and NSE) and effective November 09, 2020 the shares were de-listed from the stock exchanges.

16.7.2 The Board of Directors of the Company at its meeting held on April 12, 2024, recommended the sub-division/split of 1 fully paid-up equity share having a face value of Rs. 2 each into 2 fully paid-up equity shares having a face value of Re. 1 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the company approved the sub-division of 1 fully paid up equity share of Rs. 2 each into 2 fully paid up equity shares of Re. 1 each in annual general meeting held on May 09, 2024 and the voting results were declared on May 10, 2024.

Further, the Board of Directors on May 17, 2024 approved the Record Date for Split/sub-division of equity shares as May 27, 2024.

Consequent to this, the authorised share capital comprises 1,050,000,000 equity shares of face value of Re. 1 each aggregating to Rs. 1,050 million. Earnings per share, dividend per share and number of shares/RSUs/options have been retrospectively restated to give effect of share split from the earliest period presented.

16.8 Shares reserved for issue under RSU's / options

The Company has granted employee restricted stock units RSU's / options under the ESOP 2008 and 2015 scheme. Each RSU / option entitles the holder to one equity share of face value of Re. 1 each. 247,424 RSU's / options were outstanding as on December 31, 2024 and 1,092,370 as on December 31, 2023.

The Company has granted employee stock options under the ESOP 2024 scheme. Each option entitles the holder to one equity share of face value of Re. 1 each. 20,838,300 options were outstanding as on December 31, 2024.

16.9 The interim dividend per share recognised as distribution to equity shareholders for the year ended December 31, 2024 was Rs.8.75 per share and for the year ended December 31, 2023 was Rs.8.75 per share.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

17 Other financial liabilities

A Other financial liabilities - Non-current

	As at December 31, 2024	As at December 31, 2023
Deferred/contingent consideration towards business acquisition	1,995	97
Derivative liabilities	220	64
Others	8	5
Total	**2,223**	**166**

B Other financial liabilities - Current

	As at December 31, 2024	As at December 31, 2023
Unclaimed dividend [1]	106	103
Capital creditors	338	324
Deferred/contingent consideration towards business acquisition	2,145	294
Employee liabilities	5,361	4,696
Derivative liabilities	369	169
Liabilities towards customer contracts	1,743	1,203
Total	**10,062**	**6,789**

18 Trade payables

	As at December 31, 2024	As at December 31, 2023
Trade payables	4,770	3,783
Accrued expenses	4,370	2,812
Total	**9,140**	**6,595**

Trade payable ageing

Ageing for trade payables outstanding as at December 31, 2024 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Micro enterprises and small enterprises	41	1	^	-	-	42
Others	2,429	1,963	269	10	57	4,728
Disputed Dues - Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	2,470	1,964	269	10	57	4,770
Accrued Expenses						4,370
						9,140

Ageing for trade payables outstanding as at December 31, 2023 is as follows:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
Micro enterprises and small enterprises	1	-	-	-	-	1
Others	2,341	1,269	79	23	70	3,782
Disputed Dues - Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	2,342	1,269	79	23	70	3,783
Accrued Expenses						2,812
						6,595

19 Other liabilities

Other liabilities - Current

	As at December 31, 2024	As at December 31, 2023
Contract liabilities	2,202	1,694
Statutory liabilities	1,685	1,633
Total	**3,887**	**3,327**

20 Provisions

A Provisions - Non-current

	As at December 31, 2024	As at December 31, 2023
Employee benefit obligations in respect of gratuity and others	752	794
Total	**752**	**794**

B Provisions - Current

	As at December 31, 2024	As at December 31, 2023
Employee benefit obligations in respect of gratuity and others	112	181
Employee benefit obligations in respect of compensated absences and others	2,155	1,907
Provision for onerous contracts	149	199
Total	**2,416**	**2,287**

Movement of provisions for Onerous contract

	As at December 31, 2024	As at December 31, 2023
Opening Balance	199	-
Additional provision during the year	119	199
Provision reversed/utilized during the year	(169)	-
Closing Balance	**149**	**199**

Notes

1 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2024 and December 31, 2023.
2 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

21 Revenue from operations

21.1 The disaggregated revenue with the customers by country is disclosed under Note 32 - Segment disclosures

21.2 The disaggregated revenue with the customers by contract type [1]:

	For the year ended	
	December 31, 2024	December 31, 2023
Offshore IT Services	44,070	38,081
Onshore IT Services	56,968	50,180
IT Services	**101,038**	**88,261**
BPS Services	15,044	13,091
Others	3,662	2,451
Total revenue from operations	**119,744**	**103,803**

21.3 Revenue disaggregation by nature of service is as follows:

	For the year ended	
	December 31, 2024	December 31, 2023
Revenue from contracts with customers	119,744	103,803
Total revenue from operations	**119,744**	**103,803**

21.4 Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	December 31, 2024	December 31, 2023
Contracted price	121,593	105,238
Reductions towards variable consideration components (discounts, rebate)	(1,849)	(1,435)
Revenue recognised	**119,744**	**103,803**

21.5 Cost to fulfil/obtain contract

The Group recognises contract fulfilment/obtaining cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. The below table discloses the movement in contract fulfilment/obtaining cost:

	For the year ended	
	December 31, 2024	December 31, 2023
Balance as at the beginning of the year	1,140	927
Cost capitalised during the year	741	466
Amortisation during the year	(541)	(253)
Balance as at the end of the year	**1,340**	**1,140**

21.6 Changes in contract liabilities are as follows:

	For the year ended	
	December 31, 2024	December 31, 2023
Balance as at the beginning of the year	1,694	1,523
Revenue recognised during the year	(1,411)	(1,426)
Additions during the year	1,919	1,597
Balance as at the end of the year	**2,202**	**1,694**

21.7 Contract Assets are as follows:

During the year ended December 31, 2024, Rs. 583 million of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones. (December 31, 2023 - Rs. 853 million)

21.8 Transaction price allocated to the remaining performance obligations

The remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods.

	For the year ended	
	December 31, 2024	December 31, 2023
Within 1 year	27,176	13,900
More than 1 year	31,939	13,511

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 any changes in the transaction price.

Notes:

1 Revenue by Offshore IT services refers to IT revenue delivered from India and Mexico and Revenue by Onshore IT services refers to IT revenue delivered from any other location. BPS revenue refers to revenue from operations generated from our BPS business.

(Rupees in millions, except share and per share data, unless otherwise stated)

22 Other income

	For the year ended	
	December 31, 2024	**December 31, 2023**
Exchange rate difference (net) [1]	190	(136)
Gains / (losses) (net) on investments carried at fair value through profit or loss	140	84
Interest income on financial assets at amortized cost	366	62
Interest income (others)	10	1
Profit / (Loss) on sale of property, plant and equipment (net)	(3)	4
Miscellaneous income	46	73
Total	**749**	**88**

23 Employee benefits expense

	For the year ended	
	December 31, 2024	**December 31, 2023**
Salary and allowances [2]	63,440	56,094
Contributions to provident and other funds	4,791	4,235
Staff welfare expenses	1,065	689
Employee stock option compensation cost	353	264
Total	**69,649**	**61,282**

24 Other expenses

	For the year ended	
	December 31, 2024	**December 31, 2023**
Rent[3]	187	143
Rates and taxes	99	60
Travelling and conveyance [4]	2,606	2,277
Electricity charges	306	280
Communication expenses [5]	333	523
Repairs and maintenance	1,435	1,332
Printing and stationery	50	54
Legal and professional fees [6]	1,210	658
Advertisement and business promotion	844	916
Bank and other charges	49	41
Directors' sitting fees and Commission	62	60
Insurance charges	167	174
Subcontracting charges	18,293	15,753
Life time expected credit loss [7]	340	500
Cost of Software Licenses[8]	4,610	3,144
Staff recruitment expenses	670	538
Miscellaneous expenses [9,10]	532	257
Total	**31,793**	**26,710**

25 Finance costs

	For the year ended	
	December 31, 2024	**December 31, 2023**
Interest on borrowings	10	25
Interest on lease liabilities	364	242
Others	286	111
Total	**660**	**378**

26 Depreciation and amortisation expense

	For the year ended	
	December 31, 2024	**December 31, 2023**
Depreciation of property, plant and equipment	1,050	1,119
Amortisation of RoU assets [11]	986	1,129
Amortisation of intangibles [12]	752	588
	2,788	**2,836**

Notes

1 includes loss of Rs. 7 million for the year ended December 31, 2023 and gain of Rs. 22 million for year ended December 31, 2024 transferred from the Foreign currency translation reserve (FCTR) to Profit & Loss on account of liquidation of Romania subsidiary and Russia subsidiary respectively.

2 Salary and allowances includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Non-recurring Employee benefit and severance costs	465	66
Enterprise Resource Planning (ERP) Transformation cost	462	-
	927	**66**

Non-recurring Employee benefit and severance costs consists of provision for retirement benefits related to certain employees amounting to Rs. 424 million for the year ended December 31, 2024 and severance cost on certain positions being made redundant amounting to Rs. 41 million for the year ended December 31, 2024 and Rs. 66 million for the year ended December 31, 2023.

3 Rent

	For the year ended	
	December 31, 2024	**December 31, 2023**
Expense related to short term leases	182	100
Expense related to low value asset	5	43
	187	**143**

4 includes Enterprise Resource Planning (ERP) Transformation cost of Rs. 25 million for the year ended December 31, 2024.

5 includes provision for onerous vendor contracts of Rs. 140 million for year ended December 31, 2023.

6 Legal and professional fees includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Acquisition related costs	334	85
IPO related costs	9	-
Enterprise Resource Planning (ERP) Transformation cost	251	160
	594	**245**

7 includes specific provisions for customers of Rs. 323 million for the year ended December 31, 2023.

8 Cost of Software Licenses includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Provision for onerous vendor contracts	-	59
Enterprise Resource Planning (ERP) Transformation cost	108	80
	108	**139**

9 includes provision for onerous vendor contracts related to a lease agreement of Rs. 96 million and Regulatory fees paid of Rs. 170 million for the year ended December 31, 2024.

10 includes CSR expenses of Rs. 165 million and Rs. 144 million for the year ended December 31, 2024 and December 31, 2023 respectively.

11 includes accelerated amortisation of RoU of certain offices leases on optimisation of Rs. 233 million for year ended December 31, 2023.

12 includes amortisation of intangible assets acquired in business combination of Rs. 743 million for the year ended December 31, 2024 and Rs. 571 million for the year ended December 31, 2023.

13 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

27 Earnings per share (EPS)

The components of basic and diluted EPS:	For the year ended December 31, 2024	For the year ended December 31, 2023
Profit for the year attributable to Shareholders of the Company	11,764	9,976
Weighted average outstanding equity shares considered for basic EPS (Refer Note 16.7.2)	607,188,187	606,393,643
Basic earnings per share	**19.37**	**16.45**
Weighted average outstanding equity shares considered for basic EPS (Refer Note 16.7.2)	607,188,187	606,393,643
Add: Effect of dilutive issue of stock options (Refer Note 16.7.2)	2,598,588	1,505,696
Weighted average outstanding equity shares considered for diluted EPS (Refer Note 16.7.2)	609,786,775	607,899,339
Diluted earnings per share	**19.29**	**16.41**
Par value per share in Rs.	1.00	1.00

28 Related party disclosures

Names of related parties

Holding Company of Hexaware Technologies Limited (control exists)

CA Magnum Holdings

Promoter Group Companies (control exists)

Hexaware Global Limited

Affiliate of Promoter

CA Sebright Investments [1]
Carlyle Investment Management, L.L.C

Key Management Personnel (KMP)

Executive Director and CEO

R. Srikrishna

Non-executive directors

Milind Sarwate
Larry Quinlan
Michael Bender (upto August 12, 2024)
Neeraj Bharadwaj
Sandra Joy Horbach
Julius Michael Genachowski
Lucia De Fatima Soares
Kapil Modi
Shawn Albert Devilla
Vivek Sharma (w.e.f August 13, 2024)
Sukanya Kripalu (w.e.f August 13, 2024)

Transactions	For the year ended December 31, 2024	For the year ended December 31, 2023
Accrual of Share Based Cost		
Hexaware Global Limited	74	180
Recovery of cost from		
CA Magnum Holdings [3]	329	-
Software and consultancy income		
Carlyle Investment Management,L.L.C	1,619	-
Reimbursement of contract cost incurred		
Carlyle Investment Management,L.L.C	795	-
Remuneration to KMP and Directors		
Short term employee benefits	178	205
Post employment benefits	7	8
Share based payment	41	31
Commission and other benefits to non-executive directors	62	60

Closing balances	As at December 31, 2024	As at December 31, 2023
Payable to / provision for KMP	120	120
Payable to Carlyle Investment Management,L.L.C (including accruals and advance billing)	159	-
Payable to Hexaware Global Limited (including accruals) [2]	-	276
Receivable from CA Magnum Holdings (including accruals) [3]	329	-

Notes:

1 CA Sebright Investments ('CAS') being the affiliate of promoter, has covered certain identified employees of the Group under the Multiple Of Invested Capital (MOIC) plan, under which direct payments will be made upon satisfaction of specified conditions therein, at their discretion. The MOIC Plan was approved by the Board of Directors of the Company on May 3, 2022. There is no financial impact / burden to the Group for the payments to be made pursuant to MOIC.

2 During the year ended December 31, 2024, ESOP plan of Group Company is discontinued and replaced with ESOP plan issued by the company, hence cumulative liability on the date of replacement is transferred to share options outstanding account.

3 Transactions for the year ended December 31, 2024 and Balance as at December 31, 2024 represents expenses incurred in relation to IPO that are recoverable by the Group from the selling shareholder.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

29 Financial Instruments

A The carrying value / fair value of financial instruments by categories as at December 31, 2024 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value[1]
Cash and cash equivalents	19,766	-	-	-	19,766
Other bank balances	106	-	-	-	106
Trade receivables - Billed	12,914	-	-	-	12,914
Trade receivables - Unbilled	6,841	-	-	-	6,841
Other financial assets	1,277	-	-	89	1,366
Investments in equity shares	-	-	4	-	4
Total	**40,904**	**-**	**4**	**89**	**40,997**
Trade payables	9,140	-	-	-	9,140
Lease liabilities	5,742	-	-	-	5,742
Other financial liabilities	7,573	4,123	-	589	12,285
Total	**22,455**	**4,123**	**-**	**589**	**27,167**

The carrying value / fair value of financial instruments by categories as at December 31, 2023 is as follows:

	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value[1]
Cash and cash equivalents	17,734	-	-	-	17,734
Other bank balances	103	-	-	-	103
Investments in mutual fund units	-	2,506	-	-	2,506
Trade receivables - Billed	13,863	-	-	-	13,863
Trade receivables - Unbilled	4,595	-	-	-	4,595
Other financial assets	665	-	-	110	775
Investments in equity shares	-	-	4	-	4
Total	**36,960**	**2,506**	**4**	**110**	**39,580**
Trade payables	6,595	-	-	-	6,595
Lease liabilities	3,936	-	-	-	3,936
Other financial liabilities	6,722	-	-	233	6,955
Total	**17,253**	**-**	**-**	**233**	**17,486**

Notes

1 Carrying amount of cash and cash equivalents, other bank balances, trade receivables, unbilled revenue, other financial assets, borrowings, trade payables and other financial 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 year presented.

(Rupees in millions, except share and per share data, unless otherwise stated)

29 Financial Instruments (continued)

B 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 as at December 31, 2024:

	Level I	Level II	Level III	Total
Investments in equity shares	-	-	4	4
Derivative financial assets	-	89	-	89
	-	**89**	**4**	**93**
Derivative financial liabilities	-	589	-	589
Contingent consideration	-	-	4,123	4,123
	-	**589**	**4,123**	**4,712**

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2023:

	Level I	Level II	Level III	Total
Mutual fund units	2,506	-	-	2,506
Investments in equity shares	-	-	4	4
Derivative financial assets	-	110	-	110
	2,506	**110**	**4**	**2,620**
Derivative financial liabilities	-	233	-	233
	-	**233**	**-**	**233**

Valuation Technique

Investment in mutual funds is measured at the NAV declared by the mutual fund. Derivatives are measured basis the counter-party quotes obtained. Cost of investments in equity shares is considered to be representative of fair value.

Significant unobservable inputs used in level III fair values :

Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Contingent consideration	Discounted cash flow: The valuation model considers the present value of expected payment discounted using a risk adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast Revenue, Gross Profit and the amount to be paid under each scenario and the probability of each scenario.	1. Forecasted Revenue and Gross Profit 2. Risk Adjusted Discount rate	Any change (increase/decrease) in the significant unobservable inputs would entail corresponding change in contingent consideration payable

Movement of contingent consideration payable	For the year ended December 31, 2024
Balance at the beginning of the year	-
Add : Recognised during the year (Refer to note 8)	3,857
Add : Interest on contingent consideration	159
Add: Exchange rate difference	107
Balance at the end of the year	**4,123**

C 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.

(i) Geographic and client concentration risk

During the year ended December 31, 2024, Americas contributed 74.0% (December 31, 2023 - 71.5%) 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.

During the year ended December 31, 2024, 35.8% (December 31, 2023 - 35.5%) of the revenue for the year is generated from top 10 clients. 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.

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.

(Rupees in millions, except share and per share data, unless otherwise stated)

29 Financial Instruments (continued)

(ii) Credit Risk

Since most of Group's 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 as below:

	December 31, 2024	December 31, 2023
Trade receivables - Billed (Gross)	13,665	14,753
Trade receivables – Unbilled	6,841	4,595
Contract Assets	2,776	643

The Group has adopted an effective receivable management system to control the Days Sales Outstanding (DSO). Refer to note 14A for the age wise analysis of trade receivables that are not due as well as past due and life time expected credit loss.

Top 10 customer dues contribute 29.6% of the total outstanding as at December 31, 2024 (December 31, 2023 - 35.0%)

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.

(iii) 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 Holding 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 authorized by the Board who takes these circumstances into account and authorizes 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 Group.

The following table analyses foreign currency risk from financial instruments:

	Net financial assets (A)	Net financial liabilities	Net assets
As at December 31, 2024			
USD	14,109	8,726	5,383
EUR	1,010	624	386
GBP	636	617	19
Others [1]	2,267	298	1,969

	Net financial assets (A)	Net financial liabilities	Net assets /(liabilities)
As at December 31, 2023			
USD	16,638	4,651	11,987
EUR	815	909	(94)
GBP	673	601	72
Others [1]	1,913	75	1,838

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Holding Company would result in the increase/ decrease in groups's profit before tax approximately by Rs. 776 million for the year ended December 31, 2024 and Rs. 1,380 million for the year ended December 31, 2023.

Notes

1 Others include currencies such as Singapore Dollars, Canadian Dollars, United Arab Emirates Dirhams, Philippine Pesos, Japanese Yen, Australian Dollars etc.

(Rupees in millions, except share and per share data, unless otherwise stated)

29 Financial Instruments (continued)

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:

	As at December 31, 2024	As at December 31, 2023
Currency hedge (sell contracts)		
USD	449	337
EURO	32	18
GBP	46	54

The weighted average forward rate for the hedges outstanding are given below. The hedges mature over eight quarters.

	As at December 31, 2024	As at December 31, 2023
USD	86.37	84.69
EURO	95.30	93.40
GBP	109.09	105.54

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 Rs. 565 million for the year ended December 31, 2024 and Rs. 441 million for the year ended December 31, 2023.

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Balance at the beginning of the year	(71)	(255)
Less: Net gain/loss transferred to statement of profit or loss on occurrence of forecasted hedge transaction	71	(54)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	(436)	282
Less: Deferred tax	73	(44)
Balance at the end of the year	**(363)**	**(71)**

There were no material hedge ineffectiveness for the year ended December 31, 2024 and December 31, 2023, .

(iv) 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.

The Group's total cash, bank balance and current investments and its % to total assets as at respective year is as below:

	December 31, 2024	December 31, 2023
Total Cash, Bank Balance and current investments	19,923	20,403
Total Assets	89,945	72,021
% to Total Assets	22.15%	28.33%

Contractual Maturity of financial liabilities

As at December 31, 2024	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Lease Liabilities (undiscounted)	1,419	1,275	3,043	1,598	7,335
Trade and other payables	9,140	-	-	-	9,140
Foreign currency derivative liabilities	369	220	-	-	589
Others (Refer to note 17)	9,693	2,003	-	-	11,696
Total	**20,621**	**3,498**	**3,043**	**1,598**	**28,760**

As at December 31, 2023	**Less than 1 year**	**1-2 years**	**3-5 years**	**Beyond 5 years**	**Total**
Lease Liabilities (undiscounted)	1,132	916	1,697	1,491	5,236
Trade and other payables	6,595	-	-	-	6,595
Foreign currency derivative liabilities	169	64	-	-	233
Others (Refer to note 17)	6,620	102	-	-	6,722
Total	**14,516**	**1,082**	**1,697**	**1,491**	**18,786**

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 Group. The balance with banks is in the form of fixed interest rate deposits.

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The Company is not subject to any externally imposed capital requirements.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

30 Share Based Compensation

a) The Nomination and Remuneration Committee ('Committee') of the Group administers the stock options plans viz. ESOP 2008, 2015 and 2024 plan. Under the plans, the employees of the Holding Company as well as its subsidiaries are granted options/ Restricted Stock Units (RSUs) entitling them to one equity share of face value of Re. 1 each for each option/RSU granted. Exercise price is the price determined by the Committee. The options / RSUs vest over a period of 1 to 6 years from the date of grant which could be time based, performance based or event based. The maximum time available to exercise upon vesting is 3 years.

b) The particulars of number of options/RSUs granted and lapsed under the aforementioned Schemes are tabulated below. Refer Note 16.7.2 for information on share split.

As at December 31, 2024

Particulars	ESOP - 2008		ESOP - 2015		ESOP - 2024		Total	
	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)
Outstanding at the beginning of the year	4,464	1.00	1,087,906	1.00	-	-	1,092,370	1.00
Granted during the year	-	-	-	-	21,526,100	383.00	21,526,100	383.00
Exercised during the year	4,464	1.00	722,622	1.00	-	-	727,086	1.00
Lapsed during the year	-	-	117,860	1.00	687,800	382.50	805,660	326.69
Outstanding at the year end	-	-	247,424	1.00	20,838,300	383.01	21,085,724	378.53
Exercisable as at the year end	-	-	247,424	1.00	-	-	247,424	1.00

As at December 31, 2023

Particulars	ESOP - 2008		ESOP - 2015		Total	
	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)	Options / RSUs (nos.)	Weighted ex. Price per share (Rs.)
Outstanding at the beginning of the year	12,500	1.00	4,247,446	1.00	4,259,946	1.00
Granted during the year	-	-	-	-	-	-
Exercised during the year	4,762	1.00	2,619,494	1.00	2,624,256	1.00
Lapsed during the year	3,274	1.00	540,046	1.00	543,320	1.00
Outstanding at the year end	4,464	1.00	1,087,906	1.00	1,092,370	1.00
Exercisable as at the year end	4,464	1.00	811,968	1.00	816,432	1.00

c) The weighted average share price of options/RSUs exercised on the date of exercise was Rs. 387.34 per share for the year ended December 31, 2024 and Rs. 382.5 per share for the year ended December 31, 2023.

d) Range of exercise price and weighted average remaining contractual life (in months) for the options/RSUs outstanding:

Range of exercise price	December 31, 2024		December 31, 2023	
	Options / RSUs (nos.)	Life	Options / RSUs (nos.)	Life
1.00	247,424	6.9	1,092,370	12
382.50	20,613,800	45.3	-	-
430.00	224,500	64.5	-	-
Total	**21,085,724**		**1,092,370**	

e) The fair values of the options granted in year 2024 are determined using Black Scholes Option pricing model using following assumptions:

Particulars	Year 2024
Weighted Average fair value (Rs.)	65.87
Weighted Average share price (Rs.)	298.28
Dividend Yield (%)	2.50
Expected Life (years)	2.50 - 4.50
Risk free interest rate (%)	4.45
Volatility (%)	36.59 - 45.53

The expected volatility is determined based on historical volatility during a period equivalent to the expected term of options granted.

f) During the year ended December 31, 2023, the Group modified the restricted stock unit (RSU) scheme and provided a one-time option in respect of certain grants for RSU holder to surrender RSU against a cash payment of Rs. 381.5/- per RSU ('offer price'). Total of 501,524 RSUs were surrendered by the employees. Total cash paid by the Group is Rs.190 million.
1. Incremental cost recorded in the statement of profit and loss of Rs. 47 million, for excess of offer price of Rs. 381.5/- over fair value on date of modification.
2. Fair value on the modification date has been considered as cost of re-purchase of option and difference between this fair value and grant date fair value amounting to Rs. 34 million was recorded in the equity. The fair value on the date of modification was based on an valuers report prepared taking into consideration recent transaction adjusted for estimate for control premium and marketability by reference to public available information.

g) The Ultimate Holding company Hexaware Global Limited (earlier known as CA Campine Limited) had granted ESOP to employees of the Company. The said grants allowed eligible employee to opt for one share of Hexaware Global Limited for each option held upon vesting which could be time based, performance based or event based. The exercise price for the option was USD 7 per share, weighted average estimated fair value was approximately USD 1.10 per option and remaining weighted average life was approximately 50 months.

The Company has recognized INR 74 million as estimated cost for such ESOPs granted in the statement of profit and loss during the year ended December 31, 2024 and INR 180 million during the year ended December 31, 2023.

In May'24, Hexaware Global Limited's ESOP plan was cancelled and was replaced by granting options of Hexaware Technologies Limited. The said grants will allow eligible employee to opt for one share of Hexaware Technologies Limited for each option held upon vesting which could be time based, performance based or event based. Refer note 30 (b) to 30 (e) for details.

(Rupees in millions, except share and per share data, unless otherwise stated)

31 Employee benefit plans

31.1 Provident Fund, Superannuation Fund and other similar funds

Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In respect of the Group's employees enrolled with the Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'), the Group used to pay a part of the contributions to the Trust. The remaining portion of Group'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 Group 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.

During the year ended December 31, 2024, the company has filed application for surrender of the trust. Entire amount payable towards Provident fund including interest has been paid to EPFO. The closure application is under process. From March'24 onwards, in respect of all employees contribution is being made to the the Government administered Employee Provident and Pension Fund.

Certain employees of the Group are entitled to benefits under the superannuation plan, a defined contribution plan. The Group 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.

The Group has recognized expenses towards contributions to provident and other funds and superannuation fund as follows:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Contributions to provident and other funds	1,294	1,265
Contributions to superannuation fund	65	72

The Group has contributed towards various other defined contributions plans and benefits of subsidiaries located outside India as per laws of the respective country as follows:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Other defined contributions plans and benefits of subsidiaries located outside India	2,621	2,189

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

31 Employee benefit plans *(Continued)*

31.2 Gratuity Plan

The Group makes annual contribution to the Employee's Company Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC') and Aditya Birla Sunlife Insurance Company Ltd, 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:

Particulars	December 31, 2024	December 31, 2023
<u>Change in Defined Benefit Obligation</u>		
Opening defined benefit obligation	**1,147**	**915**
Addition due to business combination (Refer to Note 8)	14	-
Current service cost	284	237
Past service cost	4	-
Interest cost	75	61
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	53	28
- Actuarial loss/(gains) arising from change in demographical assumptions	-	-
- Actuarial loss/(gains) arising on account of experience changes	(9)	17
Benefits paid	(90)	(111)
Closing defined benefit obligation (A)	**1,478**	**1,147**
<u>Change in the Fair Value of Assets</u>		
Opening fair value of plan assets	**316**	**363**
Interest on plan assets	32	24
Remeasurement due to actual return on plan assets less interest on plan assets	17	(2)
Contribution by employer	424	42
Benefits paid	(90)	(111)
Closing fair value of plan assets (B)	**699**	**316**
Net liability as per actuarial valuation (A-B)	**779**	**831**
<u>Expense charged to statement of profit and loss:</u>		
Current service cost	284	237
Past service cost	4	-
Net Interest on defined benefit plan	43	37
Total included in Employee benefits expense	**331**	**274**
<u>Amount recognised in other comprehensive income:</u>		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	53	28
- changes in demographical assumptions	-	-
- Experience adjustments	(9)	17
- Actual return on plan assets less interest on plan assets	(17)	2
Total amount recognised in other comprehensive income	**27**	**47**
Actual return on plan assets	**49**	**22**
Category of assets - Insurer Managed Funds #	**699**	**316**

Since the investments are held in the form of deposit with the Insurer managed funds, 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 Group is expected to contribute Rs. 460 million to gratuity funds for the next year.

Financial assumptions at the valuation date	December 31, 2024	December 31, 2023
Discount rate *	6.85% to 6.96%	7.20%
Rate of increase in compensation levels of covered employees **	7.5% to 10%	7.5% to 10%

* The discount rate is primarily based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

** 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 year arising on account of an increase or decrease in the reported assumption by 50 basis points:

Impact on defined benefit obligation	December 31, 2024	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-2.45% to -3.03%	2.53% to 3.16%
Decrease in 50 bps	2.57% to 3.20%	-2.43% to -3.02%

Impact on defined benefit obligation	December 31, 2023	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-2.46 % to -3.09%	2.54% to 3.01%
Decrease in 50 bps	2.58% to 3.27%	-2.45% to -2.92%

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	December 31, 2024 Rupees Million	December 31, 2023 Rupees Million
Year 1	264	218
Year 2	243	168
Year 3	217	177
Year 4	209	157
Year 5	173	143
Thereafter	1,196	915
Weighted average duration to the payment of these cash flows	5.05 years to 6.23 years	5.08 years to 6.36 years

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

32 Segment disclosures

32.1 The reportable operating 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 organization structure reflects the industry segmentation. Following are the operating segments:

i) Travel and Transportation (T & T)
ii) Financial Services (FS)
iii) Banking
iv) Healthcare and Insurance (H & I)
v) Hi-Tech and Professional Services (HTPS)
vi) Manufacturing and Consumer (M & C)

Segment results for the year ended December 31, 2024

	T & T	FS	Banking	H & I	HTPS	M & C	Total
Revenue	9,645	34,131	10,305	25,341	20,672	19,650	119,744
Expenses	(5,781)	(23,457)	(6,482)	(15,865)	(12,612)	(12,431)	(76,628)
Segment profit	**3,864**	**10,674**	**3,823**	**9,476**	**8,060**	**7,219**	**43,116**
Less: Depreciation and amortisation							(2,788)
Add: Exchange rate differences (net)							190
Less: Unallocated corporate expenses							(24,814)
Add: Other income (Excluding exchange rate differences)							559
Less: Finance costs							(660)
Profit before tax							**15,603**
Less: Tax expense							(3,863)
Profit after tax							**11,740**

Segment results for the year ended December 31, 2023*

	T & T	FS	Banking	H & I	HTPS	M & C	Total
Revenue	8,392	28,264	9,445	22,516	16,638	18,548	103,803
Expenses	(4,943)	(18,608)	(5,766)	(14,327)	(9,892)	(11,854)	(65,390)
Segment profit	**3,449**	**9,656**	**3,679**	**8,189**	**6,746**	**6,694**	**38,413**
Less: Depreciation and amortisation							(2,836)
Add: Exchange rate differences (net)							(136)
Less: Unallocated corporate expenses							(22,602)
Add: Other income (Excluding exchange rate differences)							224
Less: Finance costs							(378)
Profit before tax							**12,685**
Less: Tax expense							(2,709)
Profit after tax							**9,976**

Notes

*During the period ended June 30, 2024, there has been internal organization realignment, which has led to change in the calculation of Segment revenue & Segment Profit. Accordingly previous period numbers have been restated to confer the current reporting structure.

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

32 Segment disclosures (Continued)

32.2 Geographic disclosures[4]

(a) The Group's primary source of revenue is from customers in United States of America & United Kingdom.

Geography	For the year ended December 31, 2024	For the year ended December 31, 2023
Americas [1]	88,567	74,191
Europe [2]	23,922	22,897
Asia Pacific [3]	7,255	6,715
Total	**119,744**	**103,803**

(b) Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of the available information is onerous.

32.3 None of the customers accounted for more than 10% of the Group's revenue during the year ended December 31, 2024 and December 31, 2023.

33 Relationship with the struck off companies

Name of struck off company	Nature of Transaction	Transactions during the year ended December 31, 2024	Balance outstanding As at December 31, 2024	Transactions during the year ended December 31, 2023	Balance outstanding As at December 31, 2023
Mascon Global Limited	Shareholders - Interim dividend	^	^	^	^
Vaishak Shares Limited	Shareholders - Interim dividend	^	-	^	^
Home Trade Limited	Shareholders - Interim dividend	^	1	^	1
Hundalani Finance And Leasing Company Limited	Shareholders - Interim dividend	^	-	^	-
Idafa Investments Private Ltd	Shareholders - Interim dividend	^	^	^	^
Axenic Water Private Limited	Receipt of services	-	-	^	^
Unicon Fincap Private Limited	Shareholders - Interim dividend	^	^	^	^
Skan Packaging and investments Pvt Ltd	Shareholders - Interim dividend	-	^	^	^
S R K Enterprises Private Ltd	Shareholders - Interim dividend	^	-	-	-

Notes:
1 is substantially related to operations in United States of America.
2 is substantially related to operations in United Kingdom.
3 is substantially related to operations in India.
4 During the period ended June 30, 2024, there has been internal organization realignment. Accordingly previous period numbers for geographic disclosure have been restated.
5 ^ value less than Rs. 0.5 million

(Rupees in millions, except share and per share data, unless otherwise stated)

34 Supplementary Information - Extract of statement of Profit and Loss (before other comprehensive income) in USD million

	For the year ended	
	December 31, 2024	**December 31, 2023**
INCOME		
Revenue from operations	1,428.9	1,256.4
Other income[1]	9.0	1.0
TOTAL INCOME	**1,437.9**	**1,257.4**
EXPENSES		
Employee benefits expense[2,3]	831.3	741.8
Finance costs	7.9	4.6
Depreciation and amortisation expense[5]	33.3	34.3
Other expenses[4]	379.4	323.3
TOTAL EXPENSES	**1,251.9**	**1,104.0**
PROFIT BEFORE TAX	**186.0**	**153.4**
Tax expense	45.9	32.8
PROFIT FOR THE YEAR	**140.1**	**120.6**

Note: The audited financial statements for the year ended 31 December 2023 were translated in US dollars using the year end closing rate (FEDAI rate of USD 1 = Rs. 83.21).

The Consolidated Financial Statements have been prepared in Indian rupees, the national currency of India and the functional currency of the Holding Company. For the purpose of alignment with internal reporting, instead of the supplementary information mentioned above, certain financial information consisting of extract of the Statement of Profit and Loss (before other comprehensive income) as included in the table above, has been translated into United States dollars using the monthly closing exchange rate (mentioned in table below) as published by FEDAI and included in the Consolidated financial statements. The Consolidated Financial Statements, have been prepared with reference to rates, where applicable, in accordance with requirements of Ind AS 21.

Monthly closing rates published by FEDAI:

Month	2024	2023
January	83.0475	81.9250
February	82.9175	82.6700
March	83.4050	82.1700
April	83.4300	81.8300
May	83.4675	82.7275
June	83.3875	82.0425
July	83.7250	82.2500
August	83.8675	82.7900
September	83.7975	83.0450
October	84.0800	83.2550
November	84.4875	83.4000
December	85.6200	83.2125

Notes:

1 includes exchange gain of USD 2.3 million for the year ended December 31, 2024 and exchange loss of USD 1.7 million for the year ended December 31, 2023.

2 includes Employee stock option compensation cost of USD 4.2 million and USD 3.2 million for the year ended December 31, 2024 and December 31, 2023 respectively.

3 Employee benefits expense includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Non-recurring Employee benefit and severance costs	5.6	0.8
Enterprise Resource Planning (ERP) Transformation cost	5.5	-
Total	**11.1**	**0.8**

4 Other expenses includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Specific provisions for customers and onerous vendor contracts	1.2	6.3
Enterprise Resource Planning (ERP) Transformation cost	4.6	2.9
Acquisition related costs	4.0	1.0
IPO Related Costs	0.1	-
Regulatory Fees paid	2.0	-
Total	**11.9**	**10.2**

5 Depreciation and amortisation expense includes:

	For the year ended	
	December 31, 2024	**December 31, 2023**
Amortisation of intangible assets acquired in business combination	8.9	6.9
Accelerated amortisation of RoU of certain offices leases on optimisation	-	2.8
Total	**8.9**	**9.7**

(Rupees in millions, except share and per share data, unless otherwise stated)

Notes forming part of Consolidated Financial Statements

35 Capital commitments & Contingencies

a Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at December 31, 2024 is Rs. 951 million and Rs. 1,078 million as at December 31, 2023.

b Contingencies

	As at December 31, 2024	As at December 31, 2023
Disputed Liabilities not provided for		
a) Income Tax	-	10
b) Claims against the Group not acknowledged as debts (Gross of tax) [1]	-	28

The above does not include obligations resulting from customer claims, employee claims, show cause notices, regulatory inquiries, legal pronouncements and other judicial interpretations, having financial impact in respect of which the Group generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

[1] During the year ended December 31, 2024, the Group has fully provided for claims against the group acknowledged as debts which was disclosed as contingent as on December 31, 2023.

36 Other updates

A The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the end of the reporting year, the Group 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.

B No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company or its Indian subsidiary to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company or its Indian subsidiary from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C Borrowings:

Company has term loan and working capital facility repayable on demand, which is secured by way of charge on the specified current assets of Hexaware Technologies Inc. The interest rate is SOFR+1.05% on working capital facility. Company has availed and repaid borrowing during the year presented in Consolidated Financial Statements.

D The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

E Initial Public Offer

Subsequent to December 31, 2024, the Company has completed an Initial Public Offer ("IPO") of 123,720,440 equity shares of face value of Re. 1 each aggregating to Rs 87,500 million as an offer for sale by selling shareholder. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") from February 19, 2025. The Company has not received any proceeds from the offer and all such proceeds (net of any offer related expenses which are borne by selling shareholder) have gone to the selling shareholder. The offer has been authorised by a resolution by our Board of Directors dated September 06, 2024.

F Material events after Balance Sheet date:

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

G Approval of the consolidated financial statements:

The consolidated financial statements were approved for issue by the Board of Directors on March 06, 2025.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

JACLYN DESOUZA
Digitally signed by JACLYN DESOUZA
Date: 2025.03.07 01:09:19 +05'30'

Jaclyn Desouza
Partner
Membership number: 124629
Place: Rovaniemi
Date: March 07, 2025

For and on behalf of the Board of Directors of HEXAWARE TECHNOLOGIES LIMITED
CIN: U72900MH1992PLC069662

SRIKRISHNA RAMAKARTHIKEYAN
Digitally signed by SRIKRISHNA RAMAKARTHIKEYAN
Date: 2025.03.06 23:26:26 +05'30'

R. Srikrishna
CEO & Executive Director
DIN 03160121
Place: Mumbai
Date: March 06, 2025

NEERAJ BHARADWAJ
Digitally signed by NEERAJ BHARADWAJ
Date: 2025.03.07 00:42:52 +05'30'

Neeraj Bharadwaj
Director
DIN 01314963
Place: Palo Alto
Date: March 06, 2025

KAPIL MODI
Digitally signed by KAPIL MODI
Date: 2025.03.06 23:47:57 +05'30'

Kapil Modi
Director
DIN 07055408
Place: Mumbai
Date: March 06, 2025

VIKASH KUMAR JAIN
Digitally signed by VIKASH KUMAR JAIN
Date: 2025.03.06 23:30:00 +05'30'

Vikash Kumar Jain
Chief Financial Officer

Place: Mumbai
Date: March 06, 2025

GUNJAN SUMIT METHI
Digitally signed by GUNJAN SUMIT METHI
Date: 2025.03.06 23:35:41 +05'30'

Gunjan Methi
Company Secretary

Place: Mumbai
Date: March 06, 2025