HEXAWARE

Date: July 04, 2020

To,
The Manager Listing,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai – 400 023

To,
The Manager Listing,
National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Subject: Annual Report for the financial year ended December 31, 2019 pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"), enclosed herewith please find Annual Report for the financial year ended December 31, 2019.

This is also being made available at the website of the Company i.e www.hexaware.com

Thanking you,
Yours faithfully,
For **Hexaware Technologies Limited**

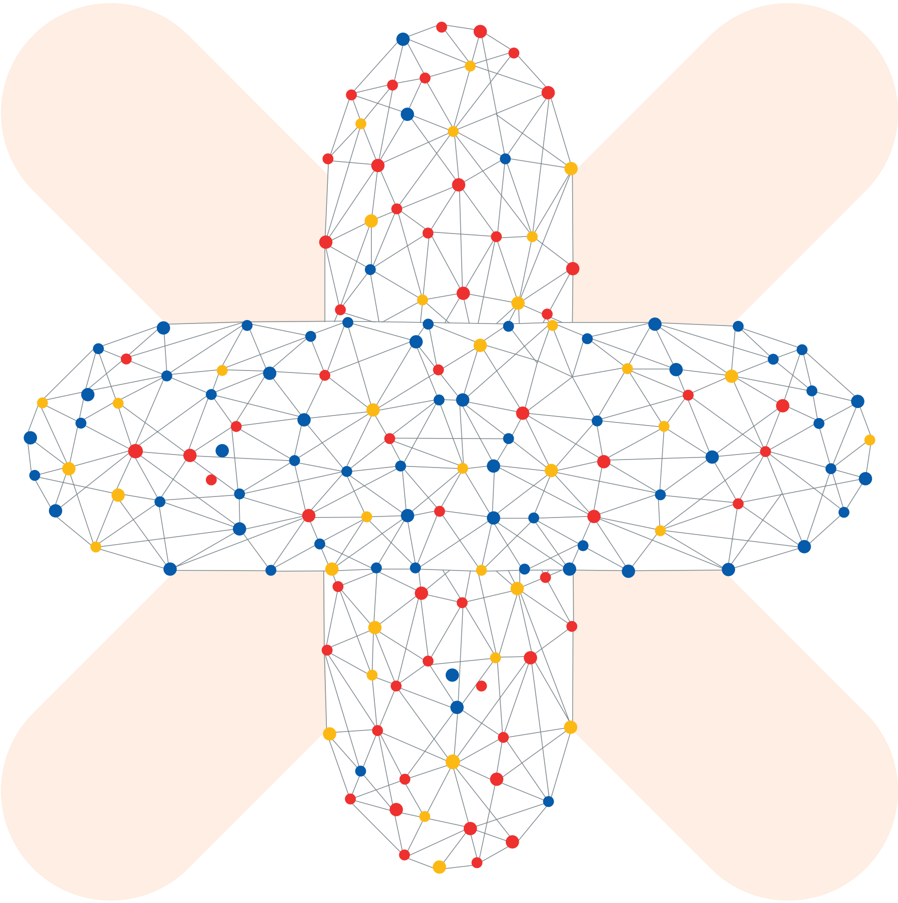
GUNJAN SUMIT METHI
Digitally signed by GUNJAN SUMIT METHI
Date: 2020.07.04 15:39:39 +05'30'

Gunjan Methi
Company Secretary

ANNUAL REPORT
2019

HEXAWARE TECHNOLOGIES LIMITED

HEXAWARE



Raising the bar in Transforming Customer Experiences

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Look out for these throughout the report

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Reference to other pages within the report

Scan QR code to see annual report online

For more details log on to **www.hexaware.com**

About Cover

The cover design represents how Hexaware is 'Raising the bar' in transforming customer experiences with the acquisition of Mobiquity Inc. in addition to its capabilities to grow across service offerings. The multiplication and the addition sign symbolise the theme of transformation underlying its aspirations to reach the next level.

Experiences lay foundations for aspirations. It is the key to success, leading through unexplored pathways, colouring your imagination in myriad hues and charting a roadmap for greater achievements.

Are you ready to experience **change?**

Here we go! Riding on Automation and Cloud Computing.

To thrive and succeed in a fast paced world, our reliance on a flexible and agile platform is more of a necessity than a luxury. Facilitating seamless interactions through automated processes leads to better output, every time. And eventually, it helps to explore truly incredible experiences.

Harnessing the power of automation, we are concentrating on the creation of swift and scalable platforms that can assist human-machine collaborations in the finest possible way. Leveraging the power of Big Data, Artificial Intelligence and Blockchain, we are systematically aiming to empower enterprises with processes that will lead to next-level changes designed to completely Transform Customer Experiences™.

And we are joining the dots to Automate Everything™, Cloudify Everything™ & Transform Customer Experiences™.

We are Hexaware

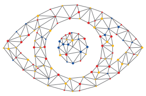
Since 1992, with a strong global presence, we are one of the fastest growing IT services companies in the world. We constantly strive to delight our customers with next-generation emerging technologies and innovative solutions that empower them to succeed in a dynamic digital ecosystem.

three strategic pillars

Automate Everything ™

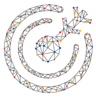
Cloudify Everything ™

Transform Customer Experiences ™



Our vision

To amplify human potential using digital technologies

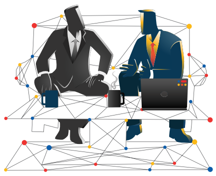


Our mission

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

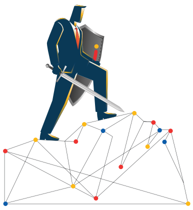
Core Values

Disruptive



Highly Passionate

Cool



Fearless Attitude

Anchored in the Past

POWERING

HUMAN

MACHINE COLLABORATION

Our brand reflects the progressive change that we are embracing with automation, innovation and artificial intelligence. Our logo symbolises 'Powering Human-Machine Collaboration'. The colors of blue, yellow and red evoke our rich legacy, pulsating energy and fearlessness.

34
Offices around the globe

50%
Digital workforce goal

250+
Customer base

19,999
Employees as on 31 December 2019

₹9,987 Crore
Market Capitalisation as on 31 December 2019

Multi-lingual
Services offered in over a dozen languages to a wide customer base

Message from the Chairman

> WE REMAIN ONE OF THE FASTEST GROWING IT SERVICES COMPANY

Atul Nishar
Chairman

Dear Shareholders,

It gives me great pleasure to report that Hexaware recorded yet another year of sustained performance in FY 2019. The Company closed the fiscal with significant improvements in revenues, profitability and margins. The results demonstrate the Company's excellent execution capabilities and tireless efforts to achieve excellence.

Performance overview

Amidst a volatile global economy, the strong double-digit growth in topline, sustained profitability and healthy margins validate Hexaware's strong business model. We remain one of the fastest growing IT services company, adopting varied routes to digitalization, from process automation to cloud related solutions. At Hexaware, we offer a vast range of technologically superior solutions that play a pivotal role to enable enhanced customer experiences. Our ability to offer innovation through automation to more than 263 clients across different industries in over 30 countries, truly makes us a global company and among the leading IT outsourcing companies in Asia.

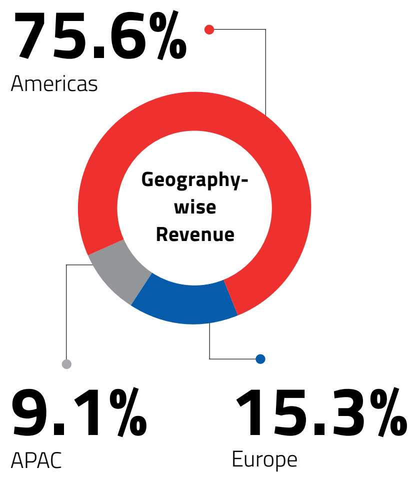
Industry review

As the global IT industry continues to grow steadily, the Indian IT service sector continues to be one of the biggest contributors of the GDP and export revenues. Worldwide IT spending has been experiencing headwinds primarily led by the pandemic. However, in the long run the sector will continue to sustain job creation, direct and indirect, having matured from being a cost-effective back office task to an advanced arena, driving digital transformations for leading companies across the globe.

In the recent past, global enterprises have rapidly adopted digital technologies. In a fast paced and ultra-competitive business environment, possessing the best technology to deliver optimum performance is critical to business success and sustainability. While the Covid-19 crisis has challenged every aspect of our customer's business, it strongly reinforces our belief in the role that technology can play as we move ahead. The emerging technologies like AI, ML, Robotic Automation, IoT and AR, among others have helped enterprises improve productivity, monitor performance, automate processes and reduce costs. These technologies when combined with an innovative approach help organizations to bring about transformational changes to their legacy-based business model. With organizations now under tremendous pressure to transform, the role of these emerging technologies becomes more vital than ever.

Raising the bar

As digital transformation continues to change the operating landscape of several industries, we remain in the forefront with our strategies of – Automate Everything ™, Cloudify Everything ™ and Transform Customer Experiences ™. We further strengthened our Customer Experience strategy with the acquisition of Mobiquity Inc. a leading digital consultancy. By innovating meaningful digital solutions to Transform Customer Experiences™,



Mobiquity helps us derive synergies to explore opportunities for new and existing customers.

In addition we continue to widen our presence across the globe. We strive to be a leader in digital transformation, offering innovative and customized solutions that create significant value for our customers.

I wish to express my regards and appreciation for all our stakeholders including my fellow Board members, management team, employees, customers and partners, for their continuous support. I am confident that, with our sustained commitment and efforts, Hexaware is perfectly positioned to grow and create sustainable value for all.

Atul Nishar
Chairman

CEO Statement

> AFTER YEARS OF PATIENTLY ACCUMULATING CAPITAL, WE PUT IT TO GREAT WORK IN THE FORM OF ACQUIRING MOBIQUITY INC.

R. Srikrishna
Chief Executive Officer

Dear Shareholders,

2019 was a landmark year for us. After years of patiently accumulating capital, we put it to great work in the form of acquiring Mobiquity Inc. Every hypothesis we had for the acquisition has been proven true so far, and we believe it will be a critical driver of growth for years to come.

The acquisition was not an isolated action. We are continuously strengthening our capabilities in our core strategy of Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™. In each of these areas we have built substantial depth, partnerships and people skills. We built the first versions of our now patent pending product Amaze™ and tested it with great success with the initial set of customers. Amaze™ helps replatform applications to the cloud with 60-75% of cost and time savings over traditional approaches by using next generation automation. Much of our market share growth was powered by Automation enabling us to displace larger legacy players in many of our customers. Aside from the acquisition, for Transform Customer Experience, we invested significantly in building capabilities organically in areas complementary to Mobiquity.

The war for talent continued to be fierce. The most sustainable way of winning this war is to create talent. We are investing substantially in talent creation and cultural transformation. Over 60% of our employees are in a journey to digital reskilling and we expect close to 100% to be in this journey by end of this year. Own Your Game is a cultural transformation program aimed at creating a workforce where each individual will take pride and accountability of their work every single day. All of these and other such investments led to an improvement of 5% on our Trust score in our annual GPTW survey.

Our investment in best-of-the-world leadership continues. Dr. Vishwanath Joshi from Great Places to Work is our new CPO. Vikash Jain who joined us as the new CFO from DXC and Ram Singampalli as the COO from Atos-Syntel form our new-look and high-powered corporate team that will improve productivity and take our performance to the next level.

Each area of capability is complemented by some critical, strategic partnerships. Microsoft, AWS, Workday, Pega, Backbase, Guidewire, Salesforce & Adobe are among the most important of our strategic partnerships. Each of these partnerships will help us both improve capabilities and drive incremental growth.

Giving back to the society is inspiring. Aside from contributing substantial dollars, our employees around the world work hard to help improve the communities they work and live in. Our special focus is on children and women from underprivileged backgrounds. We are also proud of our association with some of India's most iconic scientific breakthroughs by Children in the form of the Hyperloop project by IIT Madras and Space Kidz.

The result of these initiatives and investments coupled with our operational rigor has helped us deliver yet another year of great performance in FY2019. Our employee performance index and customer delight index has increased consistently in the last five years. We continue to deliver excellent financial results, with topline and bottom line growing at a CAGR of 15.6% and 13% respectively over the last five years. In FY2019, we recorded a double-digit growth of 17.1% in revenues from previous fiscal, recording USD 793 million, while our PAT stood at USD 91 million, compared to USD 85 million in the previous year.

As I write this letter, we are in the midst of an unprecedented crisis. Covid -19 is a pandemic that impacts and unites all of us.

During these times, our topmost priority has been the safety and health of our employees. We took several measures early on across all our global locations to keep our employees safe. We were one of the earliest in transitioning to the Work-from-Home model, much before the government mandated lockdown. We will continue to act in the best interests of our employees' safety and our return to offices will be gradual and staggered over a longer period even though government mandated lockdowns are lifted.

Over the last couple of months, our employees have been delivering services to our customers globally from the safety of their homes. Collectively, our customers have been delighted both with the speed at which we moved to Work-from-Home, and also at the high levels of productivity, engagement and commitment that our employees have demonstrated during these difficult times. Given our preparedness, very quickly we had 98% of our IT employees working from home. A recent third-party survey showed that Hexaware scored far better than the industry average on customer delight during the Work-from-Home transition, business continuity and ongoing service delivery efforts. I applaud the incredible work and commitment shown by our employees and I am confident that we will continue to deliver exceptional service to our customers through the crisis even in the most trying circumstances.

Finally, we continue our endeavor to help every community that we live and work in. The best way for us to do that today is by building robust technology solutions and experiences for the well-being of our communities at large. We recently developed and launched 'KareRing', a cloud-based Quarantine Zone Care management software solution and mobile application. Healthcare organizations, community hospitals, governments, NGOs, law enforcers, communities, enterprises and care providers can use the 'KareRing' app to not only manage and limit the outbreak but also provide timely care management to those in quarantine. As responsible corporate citizens, we continue to contribute and help make a positive difference to our communities.

Hexaware has always been fully committed on being there for our employees, customers and society, these difficult times are no different. I am very proud of our response to this crisis and am fully confident that we will continue with the same energy and focus as we move ahead. As organizations adapt to the new normal, technology will be at the forefront of everything and our strategic themes of Automate Everything™ , Cloudify Everything™ and Transform Customer Experiences™ are now more relevant than ever. We are well positioned to partner with our customers and help them harness the power of technology in this new world order.

I look forward to the coming year with renewed enthusiasm. While the coming year is going to be challenging driven by the pandemic, I am sure our deep relationships with clients, strategic relationship with our partners, range of relevant portfolio, strong balance sheet and robust operational rigor positions us well to weather these times and gain market share.

I am confident that our ~20,000 Hexawarians will continue to work hard to deliver superior experience for our customers, in turn generating consistent value for our stakeholders. On behalf of the Hexaware family, I would like to thank you for your continued trust and support.

R Srikrishna
Chief Executive Officer

Message from the Chief Financial Officer

"I AM PLEASED TO REPORT THAT FOR FY 2019, OUR BOARD OF DIRECTORS APPROVED DIVIDEND OF 425%, AMOUNTING TO ₹8.50 PER SHARE

Vikash Jain
CFO

20.1%
Growth in Revenue in FY 2019

14
Read more about our financial highlights on page 14 of the report

Dear Shareholders,

I am pleased to share with you an update on your Company's performance for 2019. The trust of our clients, dedication of our employees and support of our shareholders helped us deliver great results.

Financial performance

We delivered a strong financial performance for the year, with revenues growing by 20.1% to ₹55,825.18 million. In USD terms, we delivered revenue of USD 793.3 million, a growth of 17.1%. During the year, we also crossed an important milestone of USD 200 million quarterly revenue run rate. Our 5-year revenue CAGR in ₹ terms has been 15.6%. We have consistently delivered strong revenue growth across the years.

Our resilient focus on operational efficiencies, helped us record profit after tax (PAT) of ₹6,413.43 million. Our PAT margin for the year was at 11.5% and we achieved this while investing in strengthening our capabilities through the Mobiquity acquisition. Our continuous focus on tax planning and benefits from the Mobiquity acquisition helped us record an effective tax rate of 17.7%, one of the lowest in the industry.

We recorded earnings per share (EPS) for the year at ₹21.52 per share, growing at 9.5% y-o-y and a 5-year CAGR of 13.3%. We had operating cash flow of ₹5,963.84 million, which grew at 8.7% for the year. And we ended the year with ₹2,528.44 million of cash and bank balance on our balance sheet.

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

Strategic Acquisition

Fiscal 2019 remains extremely important in Hexaware's corporate journey, highlighted by acquisition of Mobiquity Inc. The all cash-deal of USD ~182 million helps us leapfrog our Customer Experience Transformation business. We invested in Mobiquity believing this will be one of the fastest growth drivers for Hexaware. This hypothesis is turning out to be true more than ever in the current economic environment when business models are transforming to be more digital, contactless, on the cloud with immense focus on delivering superior customer experience.

Growing Market Presence

We continue to expand our presence globally. During the fiscal, we started operations in Philippines, South Africa and Argentina. Acquisition of Mobiquity helped us with established presence in 9 centers in the US, Amsterdam in Netherlands and Pune, Ahmedabad in India. During the year we also expanded our presence in Chennai, Pune, Noida, Dubai and Mexico.

Return to Shareholders

I am pleased to report that for FY 2019, our Board of Directors approved dividend of 425%, amounting to ₹8.50 per share, including final dividend of ₹2.50 per share, that will be paid subject to shareholder approval at the upcoming AGM. This dividend is in continuance to the dividend of ₹8.50 per share, declared for the previous year, in line with our commitment to provide consistent dividend returns to the shareholders. Our total dividend payout for the year, including corporate dividend tax, amounted to ₹3,054.31 million.

Giving back to the Community

At Hexaware, we are committed to strengthening our societal bonds and uplift communities. Our CSR philosophy is to use business to serve society built on a strong belief that 'common good' is more important than 'individual gain', and that our true measure of growth lies beyond our balance sheet. Our CSR initiatives focus on areas of Education; Environment; Health and Sanitation; Sports, Art and Culture; Rural Development; Natural Calamities and Disaster relief that help improve the quality of life of under-served, disadvantaged and marginalized communities. During the year, we invested ₹99.64 million across CSR projects, our humble contribution in giving back to the community we live in.

Road ahead

Hexaware delivered solid results during the year 2019. Looking ahead in FY 2020, the world has been impacted with COVID-19 pandemic. Our immediate priorities at the time of this crisis has been health and safety of our employees, ensuring seamless customer delivery and to support the community that we live in. And we continue to do that every day. FY 2020 will be difficult. We with our deep customer relationships, enviable partnerships, diversified business mix, committed employees and a strong balance sheet are confident of taking advantage of the opportunities that will come up during this crisis. We remain committed to building a future-ready enterprise while creating economic and social value for our stakeholders.

I thank all of our customers, partners, colleagues and employees for their support through this journey and look forward to 2020 and beyond. Most importantly, I would like to thank you, our shareholders, for the overwhelming trust, support and confidence in Hexaware Technologies Limited.

Vikash Jain
Chief Financial Officer

Raising The Bar

In a competitive IT services landscape, it is imperative to 'raise the bar' and achieve digital transformation with emerging technologies. The acquisition of Mobiquity Inc – a leading digital consultancy, has strengthened our two core strategic pillars of Cloudify Everything™ and Transform Customer Experiences™.

Q Why Mobiquity?

A Mobiquity is a global digital consultancy enterprise that helps world's leading brands understand, apply and engage with technology in innovative and meaningful ways. With a presence in 3 countries, Mobiquity is not a company that creates applications or solutions, but delivers experiences, that impacts millions of people. It builds creative solutions that help people build a better life.

Their business model strengthens our two core strategic pillars of Cloudify Everything™ and Transform Customer Experiences™. Their deep understanding of AWS and a proven expertise of building numerous mobile digital solutions for some of the leading brands in the world, complements our existing operations framework. Their significant experience in bringing strategy, design and engineering together as an integrated capability to design unique digital products has positioned them as a company with incredible opportunities to capitalize on.

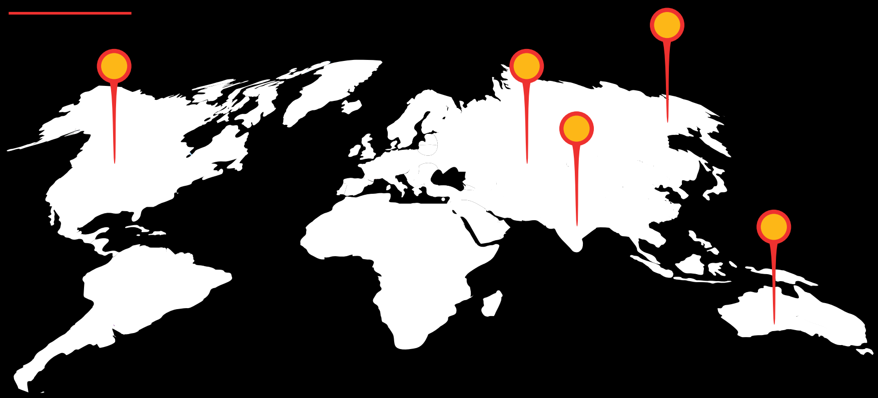
$182 Million
An all cash deal to acquire Mobiquity

Our geographic presence

Is the acquisition better than organic growth?

At Hexaware, we had already structured our business model around Transforming Customer Experiences™, building deep expertise in eCommerce, Marketing and Content Platforms, Marketing automation, CRM and O365. The acquisition accelerates our journey towards achieving excellence and market leadership in Transforming Customer Experiences™. With Mobiquity's expertise in strategy, design and engineering Mobile Apps, Smart Speaker and Digital Assistant Solutions and a wider geographic presence, we now have an active pipeline of Hexaware and Mobiquity customers, delivering a wider portfolio of services to meet varied client needs.

Global presence of Hexaware & Mobiquity together



Case studies of excellence at Mobiquity

Building a digital bank

The rise of millennials and tech-savvy young people in the Middle East has resulted in an increasing need for the consumers to engage and manage their finances in a better way. Mobiquity partnered with a leading bank in the Middle East to create a fully-digital banking solution by developing holistic financial solutions, built around customer needs and aspirations to achieve financial goals.

Frictionless voice commerce

Mobiquity partnered with America's leading social movie ticketing company and Amazon's Alexa (integrated with Amazon Pay) to allow moviegoers to book tickets with a simple voice command. Right from selecting a theatre or movie near you to choosing seats and buying tickets, Mobiquity helped unlock new revenue streams while enhancing customer experiences to drive future brand loyalty.

Aiding Diabetics

As diabetes continues to affect millions around the world, a leading diabetes education software company in the USA wanted to help diabetes technology companies with a total support experience. Mobiquity partnered with them to create a platform to provide a holistic experience for people with diabetes, offering them valuable content in a fun and engaging manner, that is easily accessible and engaging for patients as well. A secure mobile/web application developed by Mobiquity now helps patients interact, engage, learn and monitor diabetes.

Board of Directors


Mr. Atul Nishar
Chairman


Mr. R. Srikrishna
CEO & Executive Director


Mr. Jimmy Mahtani
Vice Chairman


Mr. Kosmas Kalliarekos
Director


Ms. Madhu Khatri
Non executive Independent Director


Mr. P. R. Chandrasekar
Non executive Independent Director


Mr. Milind Sarwate
Non executive Independent Director

Scan the QR code to review the complete profile of Board of Directors and The Management Team

The Management Team

R. Srikrishna
CEO & Executive Director

Ram Singampalli
Chief Operating Officer

Vikash Jain
Chief Financial Officer

Vinod Chandran
President & Global Head, North America

Amrinder Singh
Executive Vice President - Europe

Amalesh Mishra
Senior Vice President - APAC

Ravi Vaidyanathan
President & Global Head - Banking & Financial Services

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

Milan Bhatt
Executive Vice President & Global Head - Healthcare & Insurance

Eswar Venkatachalam
Senior Vice President & Global Head - Travel & Transportation

Kamal Maggon
Senior Vice President M&C vertical head

Sandeep Dhar
President & Global Head - Customer Experience Transformation

John Castleman
Chief Executive Officer - Mobiquity

Andy Norman
Chief Operating Officer & General Manager - Mobiquity US

Paul Piebinga
General Manager - Mobiquity Europe

Srinivasan Panchapakeshan
Executive Vice President & Global Head - ATM Business & H&I Delivery

Siddharth Dhar
Executive Vice President & Global Head - IMS Head

Chinmoy Banerjee
Executive Vice President & Global Head - Business Process Services

Satyendu Mohanty
Senior Vice President & Global Head - Digital Assurance

Prasan Prabhakaran
Senior Vice President & Global Head - Enterprise Solutions

Vaidyanathan J R
Senior Vice President & Global Head - Business Intelligence & Analytics

Ashok Harris
President & Global Head - Strategic Partnerships

Vishwanathan Joshi
Chief People Officer

Aparna Jairam
Senior Vice President & Global Head - Marketing

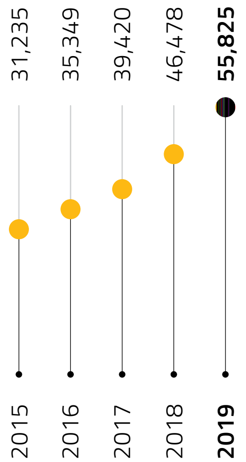
Senthil Nayagam K
Senior Vice President, Global Revenue Assurance & Chief Learning Officer

Financial Highlights

Revenue

₹ in Mn

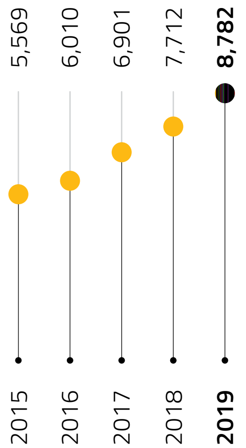
5 Year CAGR **15.6%**



EBITDA

₹ in Mn

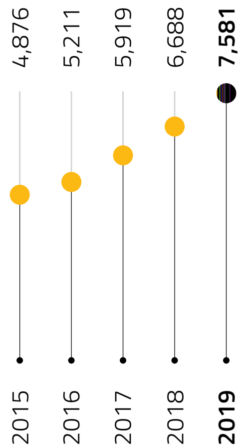
5 Year CAGR **13.1%**



EBIT

₹ in Mn

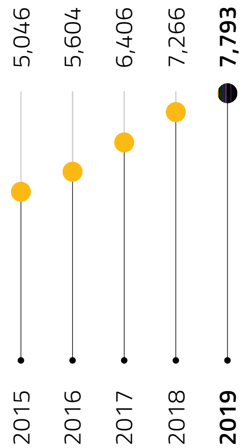
5 Year CAGR **11.7%**



PBT

₹ in Mn

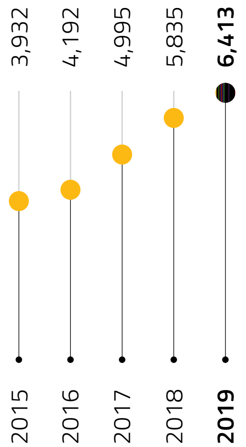
5 Year CAGR **11.5%**



PAT

₹ in Mn

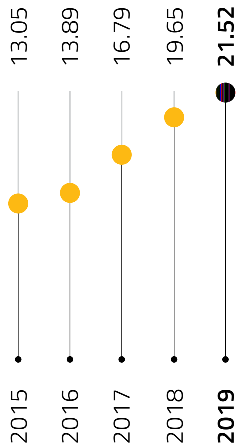
5 Year CAGR **13.0%**



Earnings per share

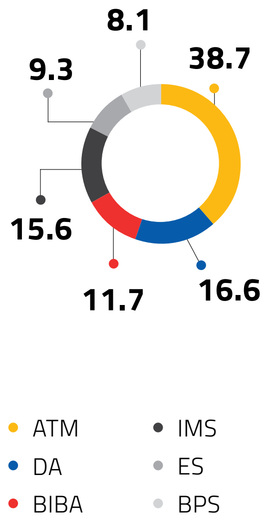
₹ (Basic)

5 Year CAGR **13.3%**



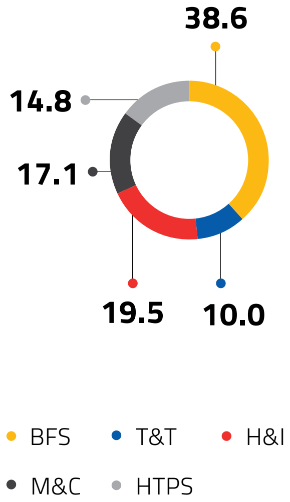
Horizontal split

in %



Vertical split

Revenue in %



Banking & Financial Services

Industry perspective

The **Banking & Financial Services industry** has embarked on a transformational journey enabled by disruptive and cloud based technologies. This journey is driven by challenges to reduce operational costs, the need to deliver differentiated, seamless customer experiences that mitigate continued regulatory pressures such as sun-setting LIBOR index.

Hexaware is working closely with our Banking & Financial Services customers, helping them achieve their objectives in the areas of:

a. **Omni Channel Digital Solutions:** Through our Mobiquity brand, we are helping banks and financial institutions launch truly digital businesses. Mobiquity provides digital strategy, branding and design through execution services, delivering seamless omni-channel solutions to launch digital products.

b. **Cloud Migration:** Hexaware has developed an Automation Framework called "Amaze™" that automates 100% of the process to identify the impediments in migrating legacy applications to the cloud. The Amaze platform also automates 80% of the code refactoring involved in the migration allowing the refactored code to be deployed as micro services on the cloud. Amaze™ can handle migration of both applications as well as data eco-systems to cloud.

c. **Operations Transformation in Banking and Capital Markets:** Hexaware has developed a unique automation framework that leverages multiple technologies such as Machine learning, Natural Language Processing, Natural Language Generation, Robotics Process Automation, OCR and AI. Hexaware has been successful in applying this framework across multiple domains such as Reference Data Management, Reconciliation, Settlement, Accounting, Corporate action processing, Payments Investigation etc. to deliver high level of Straight Through Processing, thereby reducing operational costs and improving business efficiency.

d. **LIBOR Transition:** We have successfully automated critical tasks such as contract remediation in the Libor index rate transition process. We have also developed a Unified Command Center Tool that provides an integrated control over the Libor transition, across the organization.

Case Study

Operational Transformation:

Hexaware is providing holistic managed services to a Global Tier 1 Bank, transforming their operations landscape through digital automation solutions. The scope of operations include Payments Investigations and Commercial Cards services across geographies. Hexaware delivered 47% savings in total cost of ownership with improved accuracy and client satisfaction. The client benefited from a unique skin-in-the-game approach of guaranteed savings from the first day itself.

Healthcare & Insurance

Healthcare

Industry perspective

Over the past few years, healthcare and life sciences companies are redefining the term 'digital transformation'. As diseases affect people at large, globally, it is becoming increasingly evident that technology (like Telemedicine, IoT, wearables and robots) remains relevant for improving patients' health and quality of life.

Pharma companies and healthcare organizations are focusing on enhancing user experiences, with a strategy to offer patient-centric care. IT plays a major role in driving the healthcare and life sciences industry to deliver results on these premises. Digital platforms are gaining prominence owing to their endeavour to revolutionize the health sector with proven 'customer-centric' solutions.

Megatrends in healthcare

Areas of action	Results
Enabling data driven insights	Promotes healthier behaviour and smarter diagnosis
Applying omni-channel effort	Deeper insight about patients' experience
Increasing social media presence	Effectively engage with patients to alleviate their concerns
Leveraging Artificial Intelligence (AI) and Machine Learning (ML)	To identify social determinants of health (SDoH) like mortality, morbidity, life expectancy, well-being and more

The Hexaware edge

In FY 2019 we continued to channelize our delivery teams' focus on cloud transformation services while enabling our solution team to build new offerings around automation in the pharma industry. We continued to build intelligent solutions that help our clients achieve customised and high-level insightful data and business information. We have also offered value added services like Data management & Analytics, AI/ML Consulting, API based integration, automation consulting and BPO Services. Some of our key offerings during the year consisted of:

Integrated digital experiences:

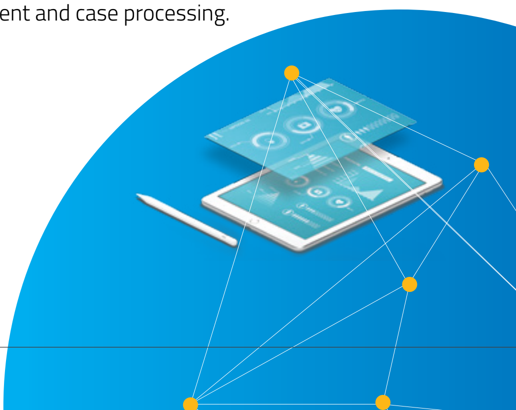
We continued our passion to Transform Customer Experience™ through integrated patient engagement and digital experience platforms for medical device manufactures, commercial pharma organizations and CROs.

Amaze™ for Data & AI:

We launched Amaze™ for Data & AI on Azure with flexible and scalable cloud data warehouse solutions backed by effective data quality and governance solutions.

Automation:

We redefined automation as a service, by bringing several functions within the ambit of automation. We introduced TMF automation, centralized monitoring and automated issue detection for clinical trials, automation of patient eligibility matching for patient recruitment in clinical trials, automated adverse event management and case processing.



Insurance

Industry perspective

Efficient and effective technology is capable of leveraging the organisation's collective intelligence. Technology is an important lever for insurance businesses, redefining how they operate, and interact with customers and collaborate with brokers. The introduction of Cloud-based enterprise has allowed insurance companies to shift from their conventional platform-based ecosystems, enabling savings in infrastructure and operation costs. Industry leading platform providers like Guidewire and Salesforce are offering complementary solutions instead of competing solutions, to work closely with service providers.

Hexaware's edge

Early in FY 2019, we revisited our solution strategy and restructured our team to focus more on Cloud and Customer experience, revolving around our philosophy of 'Automate Everything™' We are working closely with the IT teams of insurance companies, to build a next-generation Cloud-native solution backed by our API and microservice solutions to provide best-in-class customer experience, as well as to collaborate with brokers and agents in real time.

Did you know?

Healthcare Case Study

We helped a leading UK based pharma company with a global presence in 40 countries, with over 7500 employees to transform experiences of employees, as well as clients with a cognitive solution backed by intelligent automation. It completely eliminates manual dependence and human errors. Automation across the process, starting from data ingestion to contract creation in the sourcing portal resulted in 50% savings of management effort, resulting in significantly less backlogs.

Insurance Case Study

Our Cloud migration toolkit helped one of the world's largest multi-line insurance companies to implement Guidewire Claimcenter using our 'infrastructure as code' solution. This helped them to manage their business effectively with our 'build & deployment as code' solution. Our APIConnect platform, powered by Mulesoft, helped them to collaborate with adjudicators, claim appraisers and repair shops faster, resulting in quicker claim processing and reduced release cycles due to pre-built APIs and micro-services on cloud infrastructure.

Hi-Tech & Professional Services

The HTPS (Hi-Tech & Professional Services) business vertical (earlier known as Professional Services) operates at the intersection of Technology & Professional Services – with Trust as its catalyst. Trust forms a crucial bedrock for the Professional Services industry. Breakthrough advancements in technology compel Professional Services firms to reimagine their service approach. Trust in Technology is a pre-requisite to meaningful adaption and our genesis lies in truly appreciating this unique interplay of Trust, Technology & Professional Services. The year FY19 was a breakthrough year for HTPS as we deepened our existing relationships (transactional to strategic), widened our operations (new logos, new geos), and recorded a 33% revenue growth.

Our product portfolio

- Tax Automation & Filing apps
- Intelligent Contract Management offerings
- Touchless Audit suite w. Automation
- Immersive Marketplace Experience (Platforms)

Our services portfolio

- Cloud Transformation (with Amaze™)
- Product Engineering & Sustenance (incl. Mobility Strategy w. Mobiquity)
- AI/ML powered data driven decision making (delivered through innovative joint Go-To-Market and XaaS models)

Downstream industries we serve:

Professional services:

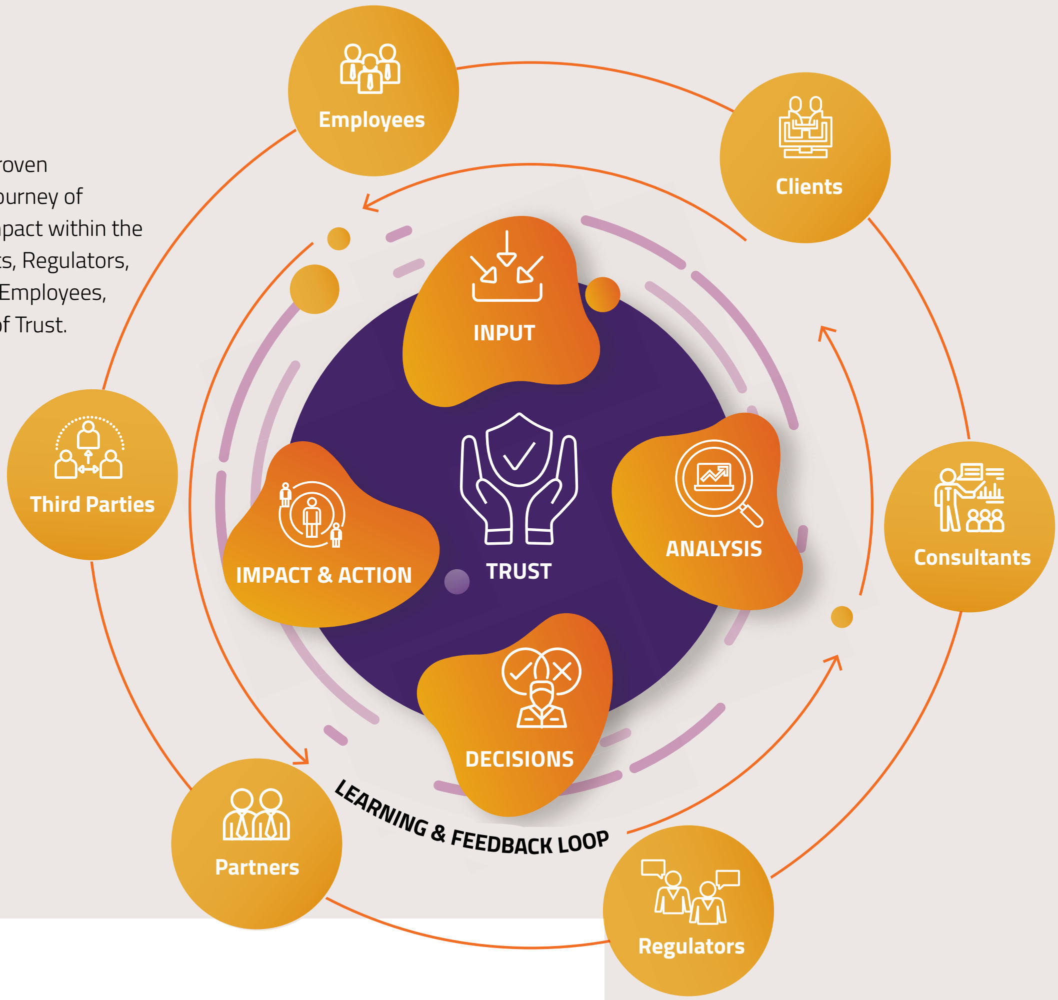
- Tax, Audit & Accounting
- Advisory & Consulting
- People & Talent Management
- Legal
- Governance, Risk & Compliance

Hi-Tech:

- Software (incl. Apps & Web-based products)
- Platforms (e.g., B2C Marketplaces, Information Services, OTT/ streaming)

Trust Cycle

The HTPS Trust Cycle is a proven framework that maps the journey of Input-Analysis-Decision-Impact within the ambit of Clients, Consultants, Regulators, Partners, Third Parties and Employees, reinforcing the foundation of Trust.



Case Study

Our Audit Automation solution helps auditors overcome persistent and often incapacitating conditions created by manual, traditional, error-prone & inefficient processes. The solution blends Automation, Business Process Management & Design Thinking to create an experience that is helping auditors reimagine their work process. Our Intelligent Dashboards and advanced Document Management capabilities further enhance product value and usage.

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

Travel & Transportation

Industry perspective

An ardent need to deliver unforgettable experiences is auguring transformational changes in the travel and transportation sector. As the industry caters to memorable travel experiences, technology continues to be a game-changer. Technological investments at multiple touchpoints within the travel and transportation sector help to minimize challenges and offer exemplary service to the end-users as well as the operators. Emerging technologies like biometric, AI assistant using NLP voice technology, Internet of Things (IoT) and Augmented Reality (AR) are enabling seamless experiences for passengers while augmenting new revenue streams for the operators.

Hexaware's edge

The team continues to work closely with Airlines, Hospitality, Logistics & Shipping sectors to analyse and reinvent user experience across the value-chain, including customers, passengers and guests. We are also working with our valued software partners to integrate emerging technologies (like AI-Chatbot, Predictive & Video Analytics) to maximize value creation for our customers. During the year, we developed facial recognition solutions and integrated chatbots to enable a seamless boarding process. Our Application Transformation team worked closely with Cloudify Everything™ team to migrate the on-premise applications to the cloud network. Our team is also building a Data Warehousing solution for a shipping customer to operate with a subscription based model that is designed to monetise the data.

Case Study

Hexaware worked as a trusted digital assurance partner with one of the leading airlines in North America to transform their custom Passenger Service System (PSS) into a product based digital transformation initiative. The transformation helped improve customer experiences across all channels, and enhanced the airlines market presence, to effectively integrate it with PSS of partner airlines. It helped to deliver annual incremental benefits of $100M.

Manufacturing & Consumer

Industry perspective

The 4th Industrial Revolution or Industry 4.0 is set to transform productivity in the manufacturing sector with the integration of superior technology to create enhanced digital solutions. The technological synergy has not only helped streamline operations but has also improved efficiencies and utilisation levels in the manufacturing sector.

The retail and consumer industry is undergoing a rapid transition, with 'convenience' defining the way forward. As a result, the disruptions in technology are centered around creating conveniences that are setting benchmarks for better consumer experiences. With increasing expectations, modern technology and digital solutions are constantly simplifying processes, helping companies to retain and locate customers easily.

Case Study

Hexaware developed predictive models for key processes at the machine shop of a leading truck and bus manufacturer. By analyzing more than 20,000 parameters, Hexaware identified key parameters key parameters that were used used to build a predictive model to make pre-emptive adjustments to critical machine parameters and to improve yield rates for the customer.

Hexaware's edge

With growing customer expectations and preferences, at Hexaware, we are continuously working to accelerate the digital transformation journey of our customers. In addition to providing traditional services like enterprise system implementation, integration and support services, our innovation lab and strong partnerships, enable our clients to adopt emerging technologies like AI/ML, AR/VR, Chatbots, IoT, Blockchain etc.

During the year, the acquisition of Mobiquity, a digital consultancy that partners with the world's leading brands to design and deliver compelling digital products and services, strengthened our omnichannel services, helping us to offer a comprehensive suite of digital solutions that deliver superlative experiences to customers. We also partnered with a Europe based boutique AI/ML platform company to leverage our AI capabilities and deliver value to our customers. We also deployed an IoT enabled real-time solution that enhanced the field services for a pioneering solar energy player and a leading medical device manufacturer.

Awards for Excellence

In FY 2019, Hexaware continues to be recognized for offering exemplary services to its diverse customer base across different verticals. Recognized by renowned institutions and bodies, it cherishes our valued work in the field of IT.

Hexaware is proud to receive the Best Innovative Employee Development Practice of the Year 2019 award from HRIA.

Hexaware is proud be the Gold Winner at the 2019 ITSMA Marketing Excellence Awards for Personalizing Marketing with Digital Tools, Data, and Approaches.

HfS mentions Hexaware among the top vendors offering SAP SucessFactors in the report tilted **"HfS Top 10 SucessFactors Services"** dated 28th Aug 2019 by analyst Khalda De Souza

Hexaware featured among the vendors offering Intelligent Automation Services in report titled **"Market Guide for Delivery of Managed Services Leveraging AI"** dated 5th August 2019 by analyst Frances Karamouzis

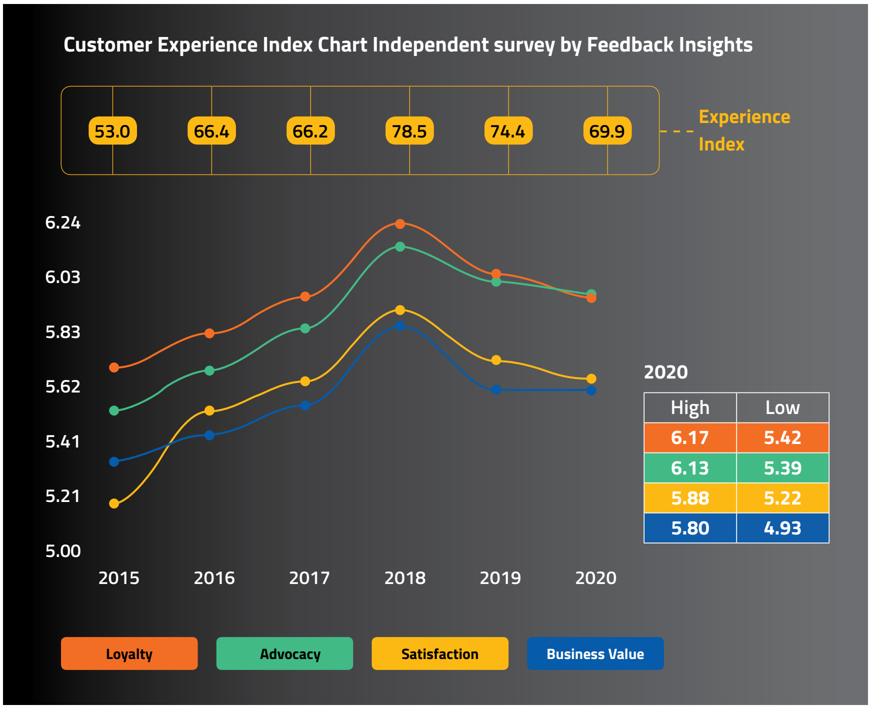
Hexaware mentioned as Contenders in IDC MarketScape report for Microsoft Dynamics Services in the report titled **"Microsoft Dynamics 365 Implementation Services 2019 Vendor Assessment"** dated 5th Nov 2019 by analyst Rijo Thomas

Hexaware has been mentioned in **" Major Contenders "** category in the Everest report titled **"Next-generation Quality Assurance (QA) Services PEAK Matrix™ Assessment 2020"** dated 12th December 2019 by analyst Yugal Joshi

Hexaware has been positioned in **"Major Players"** category in Nelson Hall's NEAT Vendor Evaluation for Healthcare Payer BPS Services dated 2nd August 2019 by analyst Sven Lohse

Transforming IT Services

We continue to structure our business model around people, processes and services that are focused to fulfil client needs.



Quality certificates

ISO
9001:2015

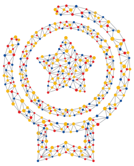
ISO
20000:1 2008

ISO
27001:2013

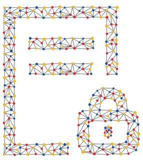
CMMI DEV L5

Benchmarking Quality

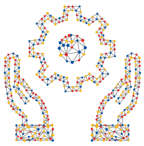
In a dynamic IT industry, the future of digital transformation rests on quality of services offered. At Hexaware, we continue to reinforce our stringent quality parameters across our delivery areas.



Quality Policy



Information Security Policy



Service Management Policy

A Responsible Corporate

As a proud global IT services company, we are determined to ensure that our actions deliver sustainable long-term value for our stakeholders. We are active participants in advancing a meaningful contribution towards the communities in which we operate.

As an opportunity to address social problems, Hexaware created a vision that encapsulates its CSR ethos while placing its stakeholders at the center of its operations.

In pursuance of its vision of inculcating good corporate citizenship, Hexaware continues to engage in strategic philanthropic programs to improve the quality of life of under-served, disadvantaged and marginalized communities. We are proud of our long-standing commitment to Corporate Social Responsibility (CSR) that is built on a strong edifice of inclusive growth and value creation for every stakeholder.

Areas of focus

Education

Skill Development

Women Empowerment

Environment

Health and Sanitation

Sports, Art and Culture

Stakeholder Management Program

Space Kidz India: Hexaware is associated with Space Kidz India, an organisation creating International experiential learning solutions for students in the field of Science, Technology, Art and Culture.

Magic of you! Curriculum Program: We partnered with Art1st Education to empower the girl child to learn and grow in a stimulating and enlivening educational environment, in economically challenged schools where the child can freely think and grow. It provides unique learning experiences that it not only empowers the children to interpret their ideas, thoughts, and feelings, but also provides

Volunteering activity by Hexaware employees in AAWC

them a tool for life! A tool that adequately empowers them economically, socially and emotionally!

Olympic Gold Quest: Olympic Gold Quest strives to compliment the efforts of the Indian Government and various Sports Federations to identify and fund the most deserving athletes for the Olympic Games. Hexaware is extremely proud to partner with this NGO to strengthen its efforts.

We funded OGQ once again this year. With our backing, OGQ provided top class support to three female athletes.

1) Aakarshi Kashyap won gold medal for Badminton in the 2019 South Asian Games held at Nepal.

2) N. Gayathri has won Gold medal in Shooting. This has motivated young athletes and inspired millions across the country.

Winning moments of Aakarshi and Gayathri in 2019 South Asian Games

Programmes aligned with the National Theme

Antar Bharti Balgram Yojna: Hexaware continued its engagement with India Sponsorship Committee by supporting their flagship programme 'Antar Bharti Balgram Yojna', aimed at giving quality education, nutrition etc. to orphaned and destitute children.

Yuva Unstoppable: It started with infrastructural enhancement at 5 municipal schools in Vapi, Gujarat, through the 'Evolution' programme in support of Yuva (Manav Sadhana).

Flagship Programmes

V-Excel Trust Vocational Training Programme and Early Intervention Programme: The company is collaborating with V-Excel to financially support Vocational Training of differently-abled people to provide sustainable livelihood opportunities. With its Early Intervention Programme, the company supports kids under 5 years of age, to diagnose health conditions and provide adequate nourishment.

Rainbow Home: Hexaware is financially supporting Rainbow Homes to provide education for 150 girls and 50 boys, who are homeless and live on the streets.

Apne Aap Women's Collective (AAWC): Hexaware undertook 'Udaan' along with 'Umeed' programmes through its implementation partner-Apne Aap Women's Collective (AAWC), in the second year of the collaboration.

Pankh–Vocation Training for People with Disability: Hexaware supports Pankh (Trust for Retailers and Retail Associated of India-Trrain Trust) for the vocational training of 315 people with disabilities.

Sustainability at Hexaware

ESG efforts (Environment, Social, Governance) - Since 2013, Hexaware has been working to implement ESG initiatives and making positive strides in this arena. Hexaware strives to create value and growth with a disciplined and comprehensive methodology and program for transformational change.

Baring Private Equity Asia (Hexaware) won the **2019 HKVCA ESG Award of Excellence** which recognizes significant contributions to environmental, social and governance (ESG) efforts.

Creating sustainable neighbourhood projects

Hexaware's programs on Clean and Safe Neighbourhood ensures that the community in and around its campuses are clean and hygienic. It utilizes environment-friendly technology to carry out these endeavours, thereby reducing the strain on non- renewable energy sources.

This year, Hexaware has launched various initiatives;

- Planted 200 tree saplings to initiate a drip irrigation system in MIDC Water Pumping station, Hinjewadi
- Constructed a bus stop shelter in Siruseri campus
- Restored 2 ponds in Chennai, namely the Rajiv Gandhi pond in Semmancheri and Nehru Nagar pond in Thooraipakkam
- Installed fence and landscaped areas with plants and trees
- Installed 50 solar powered streetlamps

Pond restoration and Tree plantation by Hexaware employees

Life @ Hexaware

Hexaware's people are its greatest asset. As one of the fastest growing organisations, we ensure that our growth and development is inclusive and this remains fundamental to the achievement of our short-term and long-term targets.

Strong HR Policy framework

Hexaware continues to invest in projects and programs that enhance employees' skills and accelerate their output. This is achieved through a strong HR Policy framework that focusses on an amicable work culture and provides employees with adequate training opportunities.

Learning programs

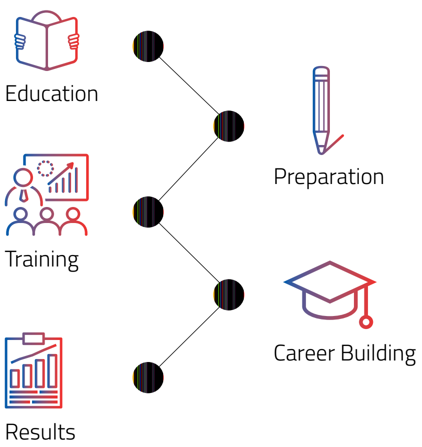
Future Leaders

An effective program that is aimed at creating visionaries of tomorrow, the initiative is aimed to nurture the Senior Management Trainees (SMTs) to effectively contribute towards a better future. The holistic approach encompasses a detailed process to identify personal skills and provides a proper orientation platform with a broad understating of the dynamic industry scenario.

MAVERICKs

Maveriks program is designed for engineers who build a career in the IT industry, irrespective of their specialization stream. A dedicated program tailored for young minds, we reach out to different colleges and cover processes ranging from pre-boarding to on-boarding to continuous engagement. In the entire process, we evaluate the candidates performance, fast track their growth and enable their holistic development to realize their true potential.

Training journey



Diversity

At Hexaware we take into consideration the needs and expectations of a multi-generational work force, proactively building a workplace that embraces diversity. The Company has a healthy percentage of women employees, comprising 31% of our total workforce. The Company has a dedicated group W@H (Women At Hexaware) which conducts women specific activities like Self Defense Workshops, Women Day's celebration, and parenting workshop, among others.

6250+
Women employees as on December 31, 2019

31%
Share of women in the total workforce

Employee engagement

As a regular practice, we responsibly communicate the updates in policies, procedures, benefits across Hexaware's offices in different parts of the globe. Several digital and automation tools have also been developed to strengthen the overall engagement levels with employees.

- The refurbished Facebook@work tool has helped employees to connect with people across the organization.
- The Empower survey conducted at the end of the year gave an insight about what makes Hexaware a great place to work.
- The relaunched StationH portal provides a one stop shop for employees to get information about organization-wide processes and policies.
- Employees attend regular HR pulse and skip meetings to iron out their concerns and receive clarifications on various issues.

Empowering the workforce

We introduced a higher education program for employees who wish to pursue their MTech Program to upgrade their skills and aspire for professional growth. We have developed a well-structured Rewards and Recognition (R&R) program through which managers can recognise or nominate their team members for awards and other incentives

Employee's participation in HexaRun for World Environment Day

Wellness @ Hexware

It is our endeavour to increase awareness and adoption of behaviours and resources that reduce health risks and improve overall employee well-being at Hexaware. We conducted several programs during the year that addressed the well-being of employees in the areas of financial, social, psychological and intellectual interests.

Adopt a Tree Initiative in Loma

A YEAR THAT WAS DIFFERENT IN EVERY WAY!

2019 was monumental for us! It was a year that we, as an organisation, looked inwards and identified what makes us strong and proud; what makes us special! We reiterated, with great emphasis, that our diversity is our biggest asset. Our ability to respect our differences is the reason we have endless possibilities ahead.

'We Different', our theme for the year, was a celebration of the Hexaware spirit. It was a commitment that every Hexawarian would keep it's ethos and legacy a constant with our thoughts, words and actions. And it was wonderful to experience the incredible support in bringing our theme to life.

It was a year with so many highlights. The grand launch of the theme was the perfect start to 2019. Our **Women's Day initiative - 'Let's Fempower'** - was the catalyst that ushered in new policies that pushed the envelope on gender equality. Hexaware is breaking new ground by being fearless and by expressing the power of their femininity. The **first ever coding challenge for women** was launched - a wonderful opportunity to showcase the technical prowess of our women.

We are very proud of the Hexaware culture that has been shaped by our unwavering focus to nurture all the things that make each of us so distinct. We celebrated the different facets that make us **Stronger Together** by pasting our hand prints and signing off with **'What diversity means to us'** on canvas in different colors across all locations. We are blessed to have such a **'Global Handprint',** be it Europe, the Americas or APAC as our workforce comprises of people from 52 nationalities; it is an exciting mix that transcends all stereotypes - be it race, religion, creed and culture!

The **'We Celebrate Different' initiative** brought out the vibrant diversity in our ecosystem to the maximum. We decided to celebrate festivals with our unique twist - each country, instead of celebrating their local festival, had to embrace and celebrate a festival from another country. Every location reiterated our commitment to making Hexaware the epitome of an **inclusive community.** We wanted to forge a collective mindset that **not just accepts differences but celebrates them.**

Hexawarians loved the special take of the iconic **'Game of Thrones' series.** Our **'Humans of Hexaware' initiative** struck an emotional chord with us all. It provided a platform for our dynamic Hexawarians to tell their unique stories and share their anecdotes. **This initiative truly showcased the wide diversity of Hexaware and celebrated the feeling of belonging that glues us together.**

We ended the year with yet another impactful edition of **'EmpPower'.** We are proud to say that all Hexawarians came and left their mark, making last year's theme a grand success.

2019 was a great reiteration of our commitment to inclusivity and equality for all. It is a great testament to our rich diversity that the theme of **'We Different'** came alive in so many vibrant ways throughout the year. **It was very clear that at Hexaware we are different, and we love it!**

Our Performance Scorecard

(₹ in Million unless otherwise stated)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenue	55,825	46,478	39,420	35,349	31,235	25,817	22,853	19,482	14,505	10,546
EBITDA before RSU cost	8,809	7,712	6,901	6,010	5,569	4,776	5,122	4,041	2,615	912
EBITDA after RSU cost	8,782	7,338	6,552	5,764	5,358	4,776	5,122	4,040	2,613	905
EBIT	7,581	6,688	5,919	5,211	4,876	4,336	4,736	3,716	2,366	663
Profit Before Tax*	7,793	7,266	6,406	5,604	5,046	4,181	4,795	4,040	4,040	1,168
Profit After Tax	6,413	5,835	4,995	4,192	3,932	3,202	3,791	3,276	2,670	1,076
Net Worth	27,655	23,919	20,073	17,409	14,332	12,906	11,992	12,038	10,162	9,655
Loan Funds	1,431	-	-	-	-	-	-	-	-	112
Capital Expenditure	1,296	609	957	2,223	1,367	604	411	744	633	340
Cash and Bank Balance (including restricted balance & mutual funds)	2,528	8,341	5,521	4,482	4,482	4,482	6,564	4,472	4,606	4,753
Growth ratios										
Revenue (%)	20.1	17.9	11.5	13.2	21.0	13.0	17.3	34.3	37.5	1.5
EBITDA (Before RSU Cost) (%)	19.7	12.0	13.7	7.6	12.2	(6.8)	26.8	54.6	188.7	(54.2)
EBIT (%)	13.4	13.0	13.6	6.9	12.5	(8.5)	27.4	57.0	256.8	(61.1)
Profit Before Tax (%)	7.3	13.4	14.3	11.1	20.7	(12.8)	18.7	31.4	163.3	(19.2)
Profit After Tax (%)	9.9	16.8	19.2	6.6	22.8	(15.5)	15.7	22.7	148.1	(19.8)
Performance ratios										
EBITDA Margin before RSU cost (%)	15.8	16.6	17.5	17.0	17.8	18.5	22.4	20.7	18.0	8.6
EBITDA Margin after RSU cost (%)	15.7	15.8	16.6	16.3	17.2	18.5	22.4	21.0	18.0	9.0
EBIT Margin (%)	13.6	14.4	15.0	14.7	15.6	16.8	20.7	19.0	16.0	6.0
Net Profit Margin (%)	11.5	12.6	12.7	11.9	12.6	12.4	16.6	17.0	18.0	10.0
Tax/Total revenue (%)	2.5	3.1	3.6	4.0	3.6	3.8	4.0	4.0	3.0	1.0
Effective tax rate (%)	17.7	19.7	22.0	25.2	22.1	23.4	21.0	19.0	13.0	8.0
Balance Sheet ratios										
Return on average net worth (%)	24.9	26.53	26.65	26.41	28.87	25.72	31.55	30.00	27.00	12.00
Debt Equity ratio (%)	5.17	-	-	-	-	-	-	-	-	1
Per Share Ratio										
Dividend Payout Ratio (%)	48	43	29	60	80	105	103	57	51	47
Earnings Per Share – Basic (₹)	21.52	19.65	16.79	13.89	13.05	10.87	12.70	11.09	9.13	3.72
Cash Earnings Per Share (₹)	19.99	18.45	16.05	15.66	13.04	13.68	11.15	7.31	4.72	0.41
Dividend Per Share (based on declaration) - (₹)	8.50	8.50	4.00	5.50	8.65	9.45	11.10	5.40	4.00	3.00

* after exceptional item

Note : FY 2016 to FY 2019 is as per IndAS whereas FY 2010 to FY 2015 is as per previous Indian GAAP

Notice

Notice is hereby given to all the members of Hexaware Technologies Limited (the "Company") that the Twenty Seventh Annual General Meeting of the Members of the Company will be held on Saturday, July 04, 2020 at 9.00 a.m. via video conferencing / other audio visual means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS:

Item no 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended December 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

Item no 2 – Declare final dividend and confirm interim dividends

To declare final dividend on equity shares for the financial year ended December 31, 2019 and to confirm the Interim Dividends on equity shares.

Item no 3 - Re-appointment of Mr. Atul Nishar

To appoint a Director in place of Mr. Atul Nishar, (DIN: 00307229), who retires by rotation, and being eligible, seeks re-appointment

SPECIAL BUSINESS:

4. **Re-appointment of Mr. R Srikrishna as a Director liable to retire by rotation**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the articles of association of the Company, Mr. R Srikrishna (holding DIN 03160121), who was appointed as an Additional Director of the Company with effect from July 28, 2019 on the recommendation of the Nomination and Remuneration Committee pursuant to Section 161 of the Companies Act, 2013, who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Director of the Company for five years till July 27, 2024 liable to retire by rotation in accordance with the provisions of the Companies Act."

5. **Payment to non-whole time director**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of the resolution passed by the shareholders at the Twenty second Annual General Meeting of the Company held on May 7, 2015 and pursuant to the provisions of clause (ii) of the second proviso to Section 197 (1) read with Section 197 (4) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read along with the rules framed there under and pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a sum not exceeding 1% (one per cent) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid to and distributed amongst the Non- Whole time Directors of the Company, for a period of 5 years from the financial year starting from January 01, 2020, in addition to sitting fees being paid to them for attending the meetings of the Board, to be divided amongst them in such manner as the Board of Directors of the Company may from time to time determine and deem fit and such payments shall be made in respect of the profits of the Company for the year;

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take all actions and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

6. **Appointment of Ms. Madhu Khatri as a Non-Executive Independent director**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Madhu Khatri (holding DIN 00480442), a non-executive Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for three years w.e.f. April 25, 2020 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

7. **Appointment of Mr. Milind Sarwate as a Non-Executive Independent director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Milind Sarwate (holding DIN 00109854), a non-executive Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for three years w.e.f. April 25, 2020 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

By Order of the Board of Directors
For Hexaware Technologies Limited

Sd/-
Gunjan Methi
Company Secretary

Date : June 09, 2020
Place: Mumbai

Registered Office:
152, Millennium Business Park, Sector-III, 'A' Block,
TTC Industrial Area, Mahape,
Navi Mumbai - 400 710.
CIN :L72900MH1992PLC069662
Email:Investori@hexaware.com
Website: www.hexaware.com
Tel : 022 - 67919595
Fax : 022 - 67919578

NOTES:

1. In view of continuing Covid-19 pandemic, the Ministry of Corporate affairs ('MCA') has wide its circular dated May 5, 2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively reffered to as 'MCA Circulars') permitted the holding of Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of members at the common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the AGM of the Company is being held through VC / OAVM. The Board of Directors of the Company considered that the special business under Item Nos. 4 to 7, being considered unavoidable, be transacted at the 27th AGM of the Company.

   The 27th Annual General Meeting shall be deemed to be held at Registered office address of the Company.

2. The Explanatory Statement for item nos. 3, 4, 5, 6 and 7, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, of persons seeking appointment / re-appointment as Directors under Item No. 3,4,6 and 7 of the Notice, are also annexed to the Notice / Corporate Governance Report.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at website of the company www.hexaware.com

4. Shareholders are requested to intimate the change in their address, if any, quoting the folio number/ DPID Client ID and are requested to register their e-mail address and changes therein with the Depositories/ Registrar and Share Transfer Agent.

5. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL on all resolutions set forth in this Notice. The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not casted their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on June 27, 2020 are entitled for remote e-voting on the Resolutions set forth in this Notice.

6. The process and manner for e-voting and process of joining meeting through video conferencing alongwith other details also forms part of the Notice.

7. The Register of Directors' Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at website of the company www.hexaware.com

8. Those Members who have so far not encashed their dividend warrants for the financial year 2013 onwards, may approach the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited, for making their claim without any further delay as the said unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act. Further, the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" prescribe for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years to IEPF. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on our website: www.hexaware.com

9. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

10. A sum of ₹2,04,38,302/- (Rupees Two Crore Four Lakh Thirty Eight Thousand Three Hundred and two) has been transferred to the Investor Education and Protection Fund in FY 2019 towards unclaimed/unpaid dividend for the year 2011 and 2012 comprising four dividend accounts.

11. Members holding shares in physical mode are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise, by filling up Form No. SH-13. The shareholders are requested to avail of this facility. The duly filled in and signed nomination Form No. SH-13 should be sent to the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited at the address mentioned elsewhere in the Notice.

12. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS/ ECS mandates, nominations, power of attorney, change of address/name, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agent to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice such changes to the Company's Registrar and Transfer Agent, KFin Technologies Private Limited.

13. Members are requested to:

    a. Intimate to the Company's Registrar and Share Transfer Agent/Depository Participant, changes, if any, in their respective addresses along with Pin Code number at an early date.

    b. Quote folio numbers/DP ID – Client ID in all their correspondence.

    c. Consolidate holdings into one folio in case of multiplicity of folios with names in identical order.

    d. Update Bank details and PAN number with the Registrar and Share Transfer Agent / Depository Participant to avail receipt of dividend by ECS/ NECS facility.

14. Non-Resident Shareholders are requested to inform the Company immediately about:

    a. The change in the Residential Status on return to India for permanent settlement;

    b. The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

15. Corporate Members are requested to send a duly certified copy of the board resolution authorizing their representative to vote during the Annual General Meeting.

16. The Certificate from the Auditors of the Company certifying that the Employees Stock Option Scheme of the Company is being implemented in accordance with the applicable SEBI guidelines and in accordance with the resolutions of the general meeting passed earlier, will be available for inspection to members during the AGM. Members seeking any information relating to the Accounts may write to the Finance Department of the Company at email id Investori@hexaware.com

17. M/s. S. N. Ananthasubramanian & CO., Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

18. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc are being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members may note that the Notice and Annual Report 2019 will also be available on the Company's website www.hexaware.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

    It is encouraged that members update their email address registered with RTA / Depository to ensure that all communication sent by the Company are received at the desired email address.

19. Re-appointment of Directors: At the ensuing Annual General Meeting, Mr. Atul Nishar, Non – Executive Director of the Company retires by rotation and being eligible offers himself for re-appointment. Mr. R Srikrishna is being re-appointed as a director of the company liable to retire by rotation. Ms. Madhu Khatri and Mr. Milind Sarwate are being appointed as Independent Directors of the Company for a period of three years with effect from April 25, 2020. They are not related to any of the Directors of the Company. The information in terms of regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard for General Meeting pertaining to Mr. Atul Nishar and Mr. R Srikrishna are furnished in the Statement on Corporate Governance published in this Annual Report and for Ms. Madhu Khatri and Mr. Milind Sarwate is annexured to Notice of AGM.

20. The appointment of M/s. BSR & Co. LLP, Chartered Accountants, Mumbai with Registration no. 101248W/W-100022 for a period of 5 years, to hold office till the conclusion of 30th Annual General Meeting subject to ratification at every Annual General Meeting, was confirmed by the members in the 25th Annual General Meeting held on May 03, 2018.

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

21. The Board of Directors has recommended Final Dividend of ₹2.50 per Equity Share of ₹2.00 each for the year ended 31st December 2019 that is proposed to be paid on July 07, 2020, subject to the approval of the shareholders at the 27th AGM. The Company has fixed Wednesday, April 1, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended December 31, 2019, if approved at the AGM. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ demand draft to such Member, at the earliest once normalcy is restored.

22. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rate. For the prescribed rates of various categories, the shareholders are requested to refer the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company /RTA (In case shares are held in physical mode) and depository (in case shares are held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, available on the website of the Company www.hexaware.com to avail the benefit of non-deduction of tax at source by email to Investori@hexaware.com by 11:59 p.m. IST on June 24, 2020. Resident Shareholders are requested to note that in case their PAN is not registered or if the PAN provided to the company is invalid, the tax will be deducted at a higher rate of 20%. All communication by the resident shareholders should include PAN details and should be signed by the shareholders.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to Investori@hexaware.com. Please refer detail note on website of the Company www.hexaware.com for further details. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on June 24, 2020.

23. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

24. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during AGM on the date of the AGM will be provided by NSDL.

26. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hexaware.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

27. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

I. The remote e-voting period commences on July 01, 2020 (9:00 am) and ends on July 03, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 27, 2020, may cast their vote by remote e-voting.

II. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

A person who is not a Member as on the cut-off date should treat this Notice of 27th AGM for information purpose only.

VI. M/s. S. N. Ananthasubramanian & Co, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by the board, who shall countersign the same.

VIII. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.hexaware.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

The details and instructions form integral part of the Notice of Annual General Meeting (AGM) to be held on July 04, 2020

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinzer@snaco.net with a copy marked to evoting@nsdl.co.in Institutional Investors who are Members of the Company, are encouraged to attend and vote at the 27th AGM through VC/OAVM Facility.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice, updation of bank details:

1. In case shares are held in physical mode please send request letter at Investori@hexaware.com duly signed by registered member providing Folio No., Name of shareholder, email id, mobile number, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) or any document (such as Driving Licence, Bank Statement, Election Card, Passport) for registering email address.
2. Following additional details need to be provided in case of updating Bank Account Details:
    a) Name and Branch of the Bank in which you wish to receive the dividend,
    b) the Bank Account type,
    c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions
    d) 9 digit MICR Code Number, and
    e) 11 digit IFSC Code
    f) a scanned copy of the cancelled cheque bearing the name of the first shareholder
3. In case shares are held in demat mode, please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same as mentioned above for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions may send their questions in advance from their registered email id mentioning their name, demat account number/folio number, mobile number at Investori@hexaware.com. The same will be replied by the company suitably. Members, who would like to ask questions during the 27th AGM with regard to the financial statements or any other matter to be placed at the 27th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address Investori@hexaware.com in advance by Monday, June 29, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM

EXPLANATORY STATEMENT FOR ITEM NOS. 3, 4, 5, 6 & 7 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3:

Director, Mr. Atul Nishar, (DIN: 00307229), retires by rotation, and being eligible, seeks re-appointment. Kindly refer the report on Corporate Governance for information in respect of re-appointment of Mr. Atul Nishar, pursuant to the Secretarial Standard on General Meetings. Your Directors recommend the resolution for approval of members.

Except Mr. Atul Nishar to the extent of his shareholding in the Company and shareholding of relatives in the company, none of the Directors and Key Managerial Personnel of the Company are concerned or interested in the proposed item no. 3.

Item no. 4:

Mr. R Srikrishna (DIN 03160121) was re-appointed as the CEO & Executive Director of the company w.e.f. July 28, 2019 for a period of five years.

He was appointed as an Additional Director on the Board w.e.f. July 28, 2019 pursuant to the recommendations of the Nomination and Remuneration Committee and holds office upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. R Srikrishna as Director of the Company liable to retire by rotation.

A brief profile of Mr. R Srikrishna is given below:

Mr. R Srikrishna joined Hexaware in 2014 as its CEO to give strategic direction, boost margins and improve sales effectiveness. Since then, he has worked towards creating an organization that delivers world-class services to customers, ensures employee satisfaction, while creating and sustaining long-term profitable growth and high momentum.

Mr. R Srikrishna is an eminent industry veteran, with over 25 years of IT experience. In an earlier stint, he was instrumental in building infrastructure service offerings from scratch to a multibillion-dollar business for a reputed Indian multinational company. Over the years, he has honed his intuition and possesses the knack of identifying business opportunities ahead of competition. At Hexaware, he foresaw industry challenges and strategized to overcome them with the help of automation, in-depth knowledge of customer environment, crowdsourcing and executive attention.

He spearheaded Hexaware's 'Shrink IT Grow Digital' strategy, thus transforming it from a typical services organization to a consultative, disruptive player in the IT, BPO and Consulting space. He further fine tuned this strategy to 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™ and TRANSFORM CUSTOMER EXPERIENCES™' that empowers sustained and industry-leading organic growth.

Hexaware has become a global leader and one of the fastest growing next-generation provider of IT, BPO and consulting services. The organization is also marching towards its success in Robotic Process Automation. These accomplishments are testament to his dedication and entrepreneurial vision.

He showcases a great mix of leadership, inspiration, technology expertise, operational experience, technical breadth and passion for enhancing customer service. As a recognition of his leadership skills, he was named in 2010 as the Young Global Leader of the Year by the World Economic Forum.

He holds a degree in electrical engineering from IIT and an MBA from IIM, Calcutta. He lives in Flemington, New Jersey with his wife and two sons.

The information pertaining to the Directors to be appointed as provided in terms of regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard for General Meeting is furnished in the Statement on Corporate Governance published in this Annual Report.

For other details such as age, qualification, experience, number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of Mr. R Srikrishna, please refer to the Corporate Governance Report.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except Mr. R Srikrishna and except to the extent of their shareholding, in the Company, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out as Item no. 4 in the Notice.

Item no. 5:

The members may note that the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed, one per cent. of the net profits of the company, if there is a managing or whole-time director or manager. Further, such remuneration shall be determined, in accordance with and subject to the provisions of section 197 of Companies Act, 2013, either by the articles of the company, or by a resolution or, if the articles so require, by a special resolution, passed by the company in general meeting.

The existing Article 85 of the Articles of Association of the Company provides that all fees/compensation/commission to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Hence, the resolution at Item no 5 is proposed to the shareholders to approve payment to the non – executive directors of the company based on percentage of the net profits of the Company.

Moreover, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 prescribe that the board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

Hence, it is proposed to the members to pass enabling resolution to allow payment to non executive (non whole time directors) under applicable provisions of companies act / listing regulations / other applicable laws for a period of five years starting from the financial year January 1, 2020.

Hence, the Company shall not be required to pass shareholders resolution for making payment to non whole time every year provided such payments are within the cap provided under Section 197.

None of the Directors and key managerial personnel of the Company are interested or concerned in the passing of the above resolution other than the non whole time directors who receive payment based on percentage of profits.

Item no. 6 & 7:

The Board of Directors, pursuant to the recommendation of the Nomination & Remuneration Committee and provisions of Section 161 of the Act and applicable rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointed Ms. Madhu Khatri (DIN 00480442) and Mr. Milind Sarwate (DIN 00109854) as Additional Directors in the capacity of an Independent Directors holding office upto the date of the Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Ms. Madhu Khatri and Mr. Milind Sarwate as Independent Directors of the Company.

The Nomination & Remuneration Committee has recommended, and the Board has approved the appointment of Ms. Madhu Khatri and Mr. Milind Sarwate as Independent Directors as per their letters of appointment for a period of three years from April 25, 2020.

Ms. Madhu Khatri and Mr. Milind Sarwate have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Ms. Madhu Khatri and Mr. Milind Sarwate fulfill the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Ms. Madhu Khatri and Mr. Milind Sarwate as Independent Directors is now being placed before the Members for their approval.

Vast experience of Ms. Madhu Khatri and Mr. Milind Sarwate in various areas, will help the Company to decide future business strategies for growth of the Company. All the relevant documents, contracts including the terms and conditions of appointment of Ms. Madhu Khatri and Mr. Milind Sarwate as Independent Directors of the Company shall be open for inspection on the website of the Company www.hexaware.com.

Kindly refer annexure to Notice for the the information of Ms. Madhu Khatri and Mr. Milind Sarwate in terms of regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard for General Meeting.

A brief profile of the Independent Directors to be appointed is given below:

1. **Ms. Madhu Khatri** is a seasoned C- Suite executive with over 30 years of global experience working with multinational companies as a trusted advisor to corporate leaders on risk mitigation, compliance, reputation management, business strategy, mergers & acquisitions and complex legal & policy issues. In the course of these 30 years, she has been the Associate General Counsel of Microsoft and the General Counsel of Wipro. Her experience includes being legal counsel at GE Health Care South Asia, advisory work at PWC & Arthur Andersen and extensive litigation experience in tax courts and the Supreme Court of India.

   She graduated from Lady Shri Ram College with a B.A in Political Science (Hons), a Bachelors in law (LL.B) from Delhi University and a Masters in Law (LL.M) from Columbia University.

2. **Mr. Milind Sarwate** is the Founder & CEO of Increate Value Advisors LLP.

   "Increate" means "Uncreated" or "Undiscovered". Milind set up Increate in 2015 as his second career as an entrepreneur, to help organizations & individuals discover, develop & deliver business & social value. For this, he contributes as required- as Advisor, Mentor, Board Member, or Investor, leveraging his 36-year experience including long stints in Marico & Godrej.

His Directorships include listed companies- Mahindra & Mahindra Financial Services Ltd, Glenmark Pharmaceuticals Ltd, Metropolis Healthcare Limited, Matrimony.com Limited and 3 unlisted companies - Eternis Fine Chemicals Limited, Omniactive Health Technologies Limited and WheelsEMI Private Limited, with focus on audit committee roles. He also plays Advisory Board role in Bruhat Insights Global, a start up in Artificial Intelligence in HR, and Educo, a School Support NGO

He invests in promising business/ social enterprises (Largely SMEs), by way of venture and angel capital.

He has been awarded ICAI CFO Award (2011), CNBC TV-18 CFO Award (2012) & CFO India Hall of Fame induction (2013).

Milind is a Chartered Accountant, Cost Accountant, Company Secretary and Commerce Graduate. He is a CII-Fulbright Fellow (Carnegie Mellon University, U S A).

The Board recommends the Ordinary Resolution set out at Item No. 6 and 7 of the Notice for approval by the Members.

Except Ms. Madhu Khatri and Mr. Milind Sarwate, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out as Item no. 6 and 7 in the Notice.

By Order of the Board of Directors
For Hexaware Technologies Limited

Sd/-
Gunjan Methi
Company Secretary

Date: June 09, 2020
Place: Mumbai

Registered Office:
152, Millennium Business Park, Sector-III, 'A' Block,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
CIN : L72900MH1992PLC069662
Email: Investori@hexaware.com
Website: www.hexaware.com
Tel : 022 - 67919595
Fax : 022 - 67919578

Details required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings with respect to Mr. Milind Sarwate and Ms. Madhu Khatri are given below :

Name of the Director	Mr. Milind Sarwate	Ms. Madhu Khatri
Brief Resume	Mr. Milind Sarwate is the Founder and CEO of Increate Value Advisors LLP, a firm that facilitates organizations and individuals to discover, develop and deliver business & social value. For this, he contributes as required - as Advisor, Mentor, Board Member, or Investor.	Ms. Madhu Khatri is a seasoned C- Suite executive with over 30 years of global experience working with multinational companies as a trusted advisor to corporate leaders on risk mitigation, compliance, reputation management, business strategy, mergers & acquisitions and complex legal & policy issues.
Experience / Expertise	He has over 36 years of experience in Finance, HR and Strategy in groups like Marico & Godrej. He has experience in enhancing Investee Companies value, capability building, enhancing effectiveness of Corporate functions, like Finance, HR & Strategy, Maximizing Value in IPOs / M&As/ Corporate Structuring He has been awarded ICAI CFO Award (2011), CNBC TV-18 CFO Award (2012) & CFO India Hall of Fame induction (2013).	In the course of these 30 years, Ms. Madhu has been the Associate General Counsel of Microsoft and the General Counsel of Wipro. Her experience includes being legal counsel at GE Health Care South Asia, advisory work at PWC & Arthur Andersen and extensive litigation experience in tax courts and the Supreme Court of India.
Age	60	56
Date of Birth	September 23, 1959	July 13, 1963
Date of First Appointment	April 25, 2020	April 25, 2020
Qualification	Mr. Milind Sarwate is a Chartered Accountant, Cost Accountant, Company Secretary and Commerce Graduate. He is a CII-Fulbright Fellow (Carnegie Mellon University, U S A)	Ms. Madhu Khatri graduated from Lady Shri Ram College with a B.A in Political Science (Hons), a Bachelors in law (LL.B) from Delhi University and a Masters in Law (LL.M) from Columbia University
Relationship between Directors inter-se and with Manager and other KMPs	Mr. Milind Sarwate is not related to any other Director, Manager and other KMPs of the Company.	Ms. Madhu Khatri is not related to any other Director, Manager and other KMPs of the Company.
Name of listed Companies in which he/she is Director and the Membership of Committees of the Board	Mr. Milind Sarwate is holding Directorship in following listed entities besides Hexaware Technologies Limited : Matrimony.com Ltd., Mahindra And Mahindra Financial Services Ltd., Metropolis Healthcare Ltd., Glenmark Pharmaceuticals Ltd.	

Name of the Director	Mr. Milind Sarwate	Ms. Madhu Khatri
	Mr. Milind Sarwate is holding membership in the following committees of Hexaware Technologies Limited. 1. Audit Committee – Chairman 2. Corporate Social Responsibility Committee – Member Mr. Milind Sarwate is holding membership in the following committees of other listed companies: **Matrimony.com Ltd:** 1. Corporate Social Responsibility Committee – Member 2. Audit Committee - Chairman 3. Nomination and Remuneration Committee – Chairman 4. Risk & Governance Committee – Member **Mahindra And Mahindra Financial Services Ltd:** 1. Audit Committee – Member 2. Nomination and Remuneration Committee – Member 3. Risk Management Committee – Member 4. Committee for Strategic Investments – Member 5. IT Strategy Committee – Chairman 6. Asset Liability Committee – Chairman **Metropolis Healthcare Ltd:** 1. Nomination and Remuneration committee – Member 2. Corporate Social Responsibility Committee – Member 3. Audit Committee – Chairman **Glenmark Pharmaceuticals Ltd:** 1. Audit Committee – Member 2. Nomination and Remuneration Committee-Member 3. Stakeholders' Relationship Committee - Member	Ms. Madhu Khatri is holding Directorship in Sasken Technologies Limited besides Hexaware Technologies Limited. Ms. Madhu Khatri is holding membership in the following committees of Hexaware Technologies Limited. 1. Audit Committee – Member 2. Nomination & Remuneration Committee – Member 3. Corporate Social Responsibility Committee – Chairperson
Shareholding	NIL	NIL
Terms and condition of appointment	Appointed as Independent Director for a period of 3 years	Appointed as Independent Director for a period of 3 years
Details of remuneration sought to be paid	Sitting fees and commission	Sitting fees and commission
Details of remuneration last drawn	Not Applicable	Not Applicable
Meeting attended during the year	Not Applicable	Not Applicable

Directors' Report

TO
THE MEMBERS,

The Directors are pleased to present their Twenty Seventh Annual Report, on the business and operations of **Hexaware Technologies Limited** (hereafter referred to as 'the Group' or 'The Company') together with audited financial statements for the financial year ended December 31, 2019.

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

Financial Performance:

Consolidated Operations:

(USD million)

	FY 2019	FY 2018
Income from Operations	793.26	677.67
EBITDA before RSU cost	125.26	112.12
EBITDA after RSU cost	124.84	106.65
Profit from Operations*	110.18	97.14
Profit before Tax	110.70	105.67
Profit after Tax including share in profit of associate	91.16	84.86
Total Customers	263	224
Average account size	3.02	3.03

(₹ million)

	FY 2019	FY 2018
Income from Operations	**55,825.18**	**46,477.62**
EBITDA before RSU cost	8,808.82	7,711.93
EBITDA after RSU cost	8,782.27	7,338.19
Profit from Operation*	7,748.74	6,687.64
Add: Exchange Rate Gain (net)	192.71	471.45
Add: Other Income	89.38	105.48
Less: Exceptional Item	(168.24)	0.00
Less: Interest	(74.02)	(0.42)
Profit before share in profit of associate	**7,788.57**	**7,264.15**
Add: Share in profit of associate	4.10	1.66
Profit before Tax	**7,792.67**	**7,265.81**
Less: Provision for Taxation	1,379.24	1,431.18
Profit after Tax	**6,413.43**	**5,834.63**
Other Comprehensive Income (OCI)	371.07	122.22
Total Comprehensive Income	**6,784.50**	**5,956.85**

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

India Operations:

(₹ million)

	FY 2019	FY 2018
Income from Operations	**21,409.11**	**17,940.25**
EBITDA	6,341.50	5,470.42
Profit from Operations *	5,731.59	4,976.35
Less: Exchange Rate (Gain) / Loss (net)	(336.53)	(516.82)
Less: Interest	0.42	0.28
Add: Other Income	28.67	24.95

(₹ million)

	FY 2019	FY 2018
Less: Exceptional Items	5.21	
Profit before Tax	**6,091.16**	**5,517.84**
Less: Provision for Taxation	1,015.83	988.25
Profit after Tax	**5,075.33**	**4,529.59**
Add : Balance brought forward from previous year	9,553.14	7,948.96
Add: Other Comprehensive Income / (loss) (OCI)	(147.83)	33.00
Add: Transfer from Special Economic Zone Reinvestment Reserve	874.10	297.25
Balance available for appropriation	**15,354.74**	**12,808.80**
Less: Appropriation		
Interim Dividend including tax on dividend	3,054.31	2,506.03
Transfer to Special Economic Zone Reinvestment Reserve	397.64	749.63
Balance carried to Balance Sheet	**11,902.79**	**9,553.14**

Results of Operations

a) Consolidated operations:

Income from operations increased to ₹55,825.18 million in FY 2019 from ₹46,477.62 million in FY 2018, growth of 20.1%. The growth in Dollar terms was 17.1%, reaching USD 793.26 million in FY 2019 from 677.66 million in FY 2018. Revenue in constant currency was USD 801.30 million in FY 2019, growth of 18.2 %. Growth was driven largely by volume increase and increase on acquisition of Mobiquity Inc. effective June 13, 2019.

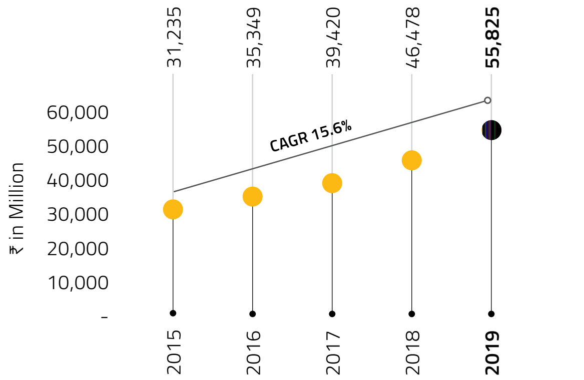
EBITDA after RSU costs increased to USD 124.84 million in FY 2019 compared to USD 106.65 million in FY 2018, growth of 17.1%. In INR terms it saw growth of 19.7% and increased to ₹8,782.27 million in FY 2019 compared to ₹7,338.19 million in FY 2018.

Profit from Operations (profit before Exchange rate difference, Interest, Other income, exceptional item and Provision for taxation) was at ₹7,748.74 million in FY 2019 as against ₹6,687.64 million in FY 2018, growth of 15.9%.

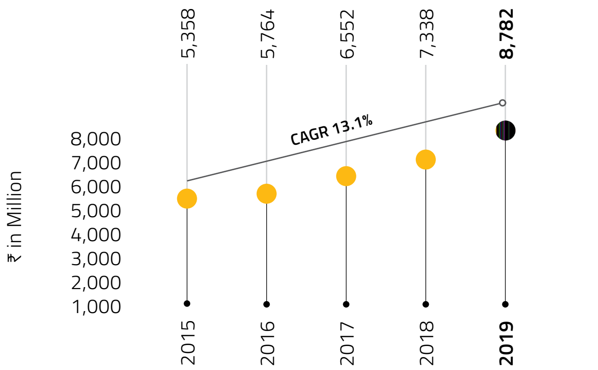
Profit before tax grew 7.3% to ₹7,792.67 million in FY 2019 compared to ₹7,265.81 million in FY 2018.

Profit after tax stood at ₹6,413.43 million in FY 2019 as compared to a profit of ₹5,834.63 million in FY 2018, growth of 9.9%. PAT margins in Rupee terms were at 11.5% in FY 2019 compared to 12.6% in FY 2018.

Income from operations



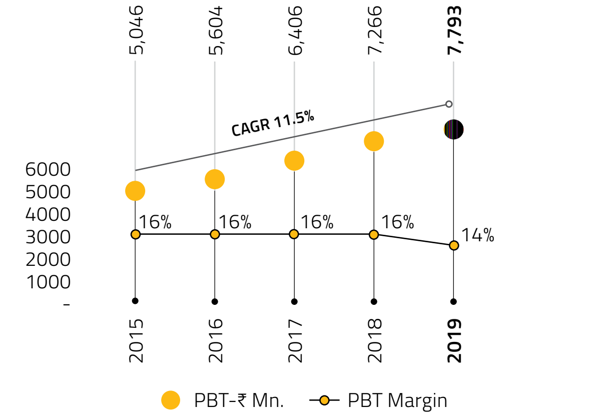
EBITDA after RSU cost



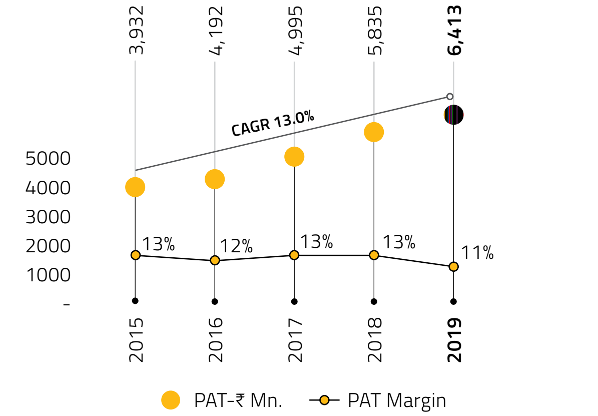
FY 2015 is as per previous GAAP and not strictly comparable with FY 2016, FY 2017, FY 2018 & FY 2019 which is as per Ind AS

Profitability

PBT Margin



PAT Margin



Material changes from end of financial year till date of report

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

Company's major achievements in FY 2019

The Company's investments in building the growth momentum has started paying off with the Group achieving growth, both in revenue as well as in profits.

- In FY 2019, growth in revenue was 20.1% in INR terms and 17.1% in USD terms compared to FY 2018.
- EBITDA after ESOP/RSU cost growth in FY 2019 was 17.1% in USD terms and 19.7% in INR terms during the year FY 2019.
- Profit for the year grew at 7.4% in USD terms and 9.9% in INR terms.
- Diluted EPS grew by 10% in FY 2019 over FY 2019.
- Return on net-worth continues to be at 25%.

The Group on June 13, 2019 acquired 100% equity in Mobiquity Inc. and its subsidiaries (together referred to as Mobiquity) for a total consideration of US$ 182 million.

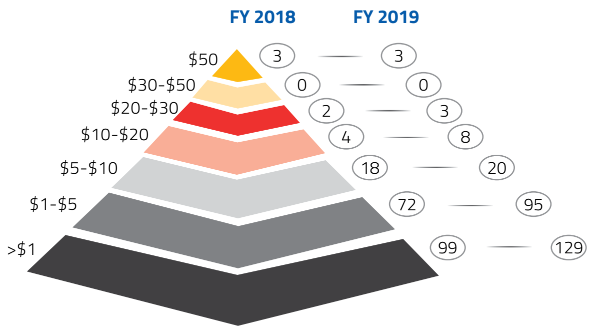
Mobiquity Inc. is headquartered in the US and with a global presence across 3 continents, Mobiquity is a customer experience consulting firm that specializes in creating frictionless multi-channel digital experiences using cloud technologies.

The Company is expected to leverage Mobiquity's capability in customer experience transformation and cloudification. Further the Company is expected to benefit from Mobiquity's customer base in multiple vertical including Banking & Financial services and Healthcare & Insurance verticals.

Purchase price has been allocated as set out in note 6(a) of the Consolidated Financial Statements.

In FY 2019, the Company added 1 client to the $20-$30 million category, 4 in the $10-$20 million category, 2 in the $5-$10 million category. Significant expansion in the $1-$5 million revenue category was a real highlight for the Company. Overall the Company added 30 clients in the > $1M category.

Revenue from top 5 customers has increased by 6%, from next 5 increased by 11% and from next 10 increased by 29%. The Company is poised to see the shaping of pyramid.



b) India operations:

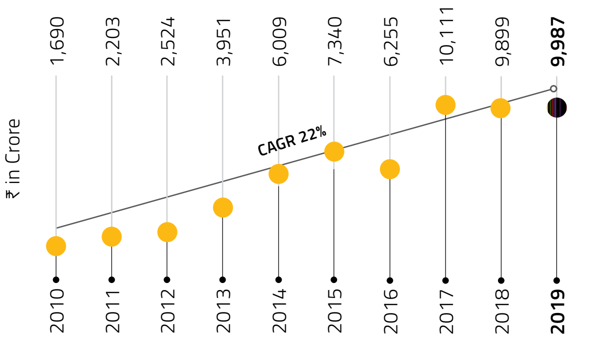
In FY 2019, the revenue of the standalone legal entity increased by 19.3% to ₹21,409.11 million in comparison with revenue of ₹17,940.25 million in the previous year. The net profit after tax was ₹5,075.33 million as compared to ₹4,529.59 million in FY 2018 showing growth of 12%.

Share capital

The paid-up Share Capital of the Company as on December 31, 2019 was ₹596.77 million comprising of 298,384,321 Equity Shares of ₹2/- each. During the year 10,23,332 shares were exercised under different ESOP schemes.

The market capitalization of the Company as on December 31, 2019 was at ₹99,869.23 million (USD 1,399.02 million). The market capitalization is calculated on the basis of closing price of ₹334.70 on the National Stock Exchange.

Market capitalisation



Other equity (Reserve and surplus and other comprehensive income)

The Standalone total other equity increased to ₹18,916.32 million as compared to ₹16,776.08 million as of FY 2018, increase of ₹2,140.24 million

The Consolidated other equity increased to ₹27,057.86 million as compared to ₹23,323.93 million as of FY 2018, increase of ₹3,733.93 million.

The Securities premium reserve balances stood at ₹3,846.22 million.

The balance of the Retained earnings after the appropriations for the year is ₹11,902.79 million on standalone basis. On consolidated basis, the balance in the Retained earnings stands at ₹27,057.86 million.

Forex Mark-To-Market: The year-end cash flow hedging reserve (net of tax) stood at profit of ₹226.06 million, as compared to loss of ₹14.86 million in the previous year recognised in accordance with the hedge accounting provision of Ind AS 109 Financial Instruments.

As at December 31, 2019, the Company has balance of ₹807.77 million in Employee stock named as Share options outstanding a reserve being amortisation of compensation cost of RSU's granted to the employees of the Group.

There was no transfer to General reserve during the year. The general reserve balance as at end of the year is ₹2,117.71 million

Dividend

During FY 2019, the Company paid four interim dividends on equity shares, Q4 2018 ₹2.50 (125%), Q1 2019 – ₹2.50 (125%), Q2 2019 – ₹1.50 (75%), Q3 2019 – ₹2.00 (100%) totalling to ₹8.50 per share (425%).

The Board of Directors at its meeting held on February 11, 2020 recommended final dividend of ₹2.50 (125%) for the year ended FY 2019, with this total dividend declared for FY 2019 aggregated to ₹8.50 (425%) per share.

The total dividend declared and paid in FY 2019 on account of interim dividend & tax thereon amounts to ₹3,054.31 million.

The break-up of dividend paid during FY 2019 is as under:

(₹ million)

	Q1	Q2	Q3	Q4	Total
Dividend	744.26	745.03	447.51	596.74	2,533.53
Tax	152.98	153.14	91.99	122.26	520.78
Total	**897.24**	**898.18**	**539.49**	**719.40**	**3,054.31**

Particulars of loan, guarantee or investments

Loan, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report. Please refer note no. 6A, 6B, 9A, 9B, and note no. 25 of Standalone Financial Statements.

Subsidiaries and associates

During FY 2019, Company has acquired Mobiquity Inc for a total consideration of $182 million. Headquarter of Mobiquity is in the US, and it has global presence across 3 continents, Mobiquity is one of the largest independent customer experience consulting firms that specializes in creating frictionless multi-channel digital experiences using cloud technologies.

Mobiquity creates awesome digital products for some of the most well-known brands in the world, such as Amazon Web Services, Rabobank, Philips, Wawa, Backbase and Otsuka. Mobiquity is one of the very few Digital Customer Experience Consulting Partners for AWS and is experts at leveraging some of the most sophisticated capabilities of AWS.

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

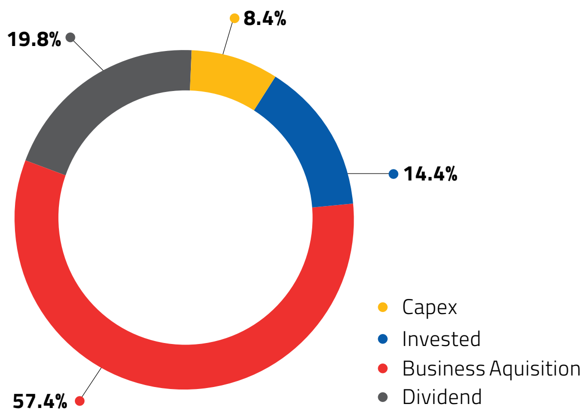
In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of its subsidiaries, are available on our website www.hexaware.com.

Cash Flow

The cash generated from operations in FY 2019 was ₹5,963.84 million. The Company has invested ₹1,296.25 million in property, plant and equipment and intangible assets, mainly for new development centre in Chennai and Pune. Further, the Company also invested ₹8,859.18 million for acquisition of Mobiquity Inc. During the year, the Company paid dividend including dividend tax of ₹3,054.31 million.

The Company has received ₹1.63 million from issue of shares. The Subsidiary has borrowed ₹1,410.53 million during the year. As of December 31, 2019 the cash position of the Company was ₹2,528.43 million including the restricted bank balance equivalent to USD 35.42 million. The total cash & cash equivalent balance was at ₹2,316.43 million equivalent to USD 32.45 million.

Cash usage



Business Strategy – The details on Business Strategy are provided on page 114 of the Annual report.

Delivery Centers

India based Global Delivery Centers

Mumbai:

The Company has two Offshore Development Centers (ODCs) at Millennium Business Park in Mahape, Navi Mumbai. One of these is the registered office of the Company. Both these ODC's houses has around 1,100 employees.

The Company's BPS arm operates out of three service centers in the same complex, with around 1,200 employees providing BPS services to its global clients in shift mode.

The Company has also taken premises on long-term lease for its IT and BPS operation in the SEZ facility named Loma IT Park, Ghansoli, Navi Mumbai with seating capacity of around 2,500 employees including for BPS operations. There are around 1,900 employees working from this center.

Chennai:

There are around 5,000 IT Professional employees working from the Company's 27acre campus in Chennai. This campus houses has employee-friendly amenities like recreation center, library and gymnasium facilities – offering plenty of avenues for relaxation and rejuvenation as well as knowledge enhancement through Hexavarsity – the Company's in- house Learning and Development University.

Currently seating capacity is expanded to 5,500 seats in Phase 1. The Company has also constructed Phase 2 with additional 3,300 seats.

The BPS arm also operates out of another two facilities in Chennai of which one is in SEZ unit with seating capacity of 1,650. The combined strength of around 1,200 employees operates from the facilities.

Pune:

In Pune, the Company has its own SEZ campus at Hinjewadi. The first phase of this campus has seating capacity of 1,450 seats. Around 1,300 IT and BPS employees are currently operating from this campus.

Mobiquity Softech Private Limited, the subsidiary company, also has office in Pune which has seating capacity of around 170 employees and around 120 employees are working from this location

Noida:

The Company has a Delivery Centre at Noida. It has seating capacity of 70 employees. This delivery Centre is in operation at its 100% capacity.

Bengaluru:

This facility in the India's IT capital of Bengaluru has capacity of 83 seats. This delivery Centre is in operation at its 100% capacity.

Nagpur:

The Company owns 20 acres of land in MIHAN SEZ, Nagpur, a tier II city. This facility is currently operational with around 630 BPS employees and has seating capacity to accommodate 1,300 professionals in different shifts.

Ahmedabad:

Mobiquity Softech Private Limited, the subsidiary company, has office in Ahmedabad which has seating capacity of around 250 employees and around 184 employees are working from this location.

Coimbatore:

Hexaware BPS arm has a facility in Coimbatore with seating capacity of 256 employees and around 58 BPS employees are working from this facility for providing BPS services to its global clients in shift mode.

Overseas Global Delivery Centers

New Jersey (USA)

The Company has GDC at New Jersey, USA with seating capacity of 64 employees and currently 57 IT Professional Employees are currently working from this delivery center.

Alpharetta, GA (USA)

The Company has GDC at Alpharetta in the state of Georgia, USA with seating capacity of 99 employees and currently 36 IT Professional Employees are currently working from this delivery center.

Dunwoody, GA (USA)

The Company has GDC at Dunwoody in the state of Georgia, USA with seating capacity of around 400 employees and currently around 175 IT and BPS employees are working from this delivery Centre.

Reston, Virginia (USA)

The company has delivery centre at Sunrise Valley in the state of Virginia with seating capacity of 70 and currently 70 IT Professional employees are working from this delivery Centre.

Waltham, MA (USA)

Mobiquity has GDC at Waltham, MA, USA with seating capacity of 50 employees and currently around 32 employees are working from this GDC.

Gainesville, FL (USA)

Mobiquity has GDC at Gainesville, FL, USA with seating capacity of 60 employees and currently around 46 employees are working from this GDC.

New York, NY (USA)

Mobiquity has GDC at Gainesville, FL, USA with seating capacity of 15 employees and currently around 06 employees are working from this GDC.

Wayne, PA (USA)

Mobiquity has GDC at Wayne, PA, USA with seating capacity of 56 employees. This delivery Centre is in operation at its 100% capacity.

San Francisco, CA (USA)

Mobiquity has GDC at San Francisco, CA, USA with seating capacity of 15 employees and currently around 06 employees are working from this GDC.

Seattle, WA (USA)

Mobiquity has GDC at Seattle, WA , USA with seating capacity of 12 employees and currently around 05 employees are working from this GDC.

Mexico

The Company has a strong presence in Mexico with a near-shore Delivery Centre at Saltillo with employee's seating capacity of 679. While Mexico offers cost competitiveness compared to the United States of America, the country also provides immense benefits in the form of same time zone, enables immediate response and access to a vast talent pool and an untapped emerging market. The Company intends to leverage its near shore Delivery Centre to cater to several global clients as an addition to the other existing options of continuing operations in the USA or in the Company's locations in India. Currently around 600 IT and BPS Professional Employees are working from this delivery Centre.

Company also have GDC at Monterry, Mexico with seating capacity of 137 and currently 104 IT Professional employees are working from this delivery Centre.

Amsterdam (Netherlands)

The Company has GDC at Amsterdam with seating capacity of 12 and currently 06 IT Professional employees are working from this delivery Centre.

Mobiquity also has office at Amsterdam with seating capacity of 114 employees and currently around 220 employees (including employees working onsite) are working from this office.

Warsaw (Poland)

The Company has GDC at Warsaw in Poland, with seating capacity of around 60 employees and currently around 35 IT and BPS employees are working from this delivery Centre.

Tver (Russia)

The Company has center in Russia for its BPS operation which has seating capacity of 156 Employees. Currently around 106 employees are working from this location for providing BPS Services to Global Client.

Dubai

The Company has GDC at Al Quds, Dubai. Currently around 90 BPS employees are working from this delivery Centre at Dubai.

China:

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

Singapore

The Company has GDC at Singapore. Currently around 60 employees are working from this delivery Centre (including employees working onsite) at Singapore.

Hong Kong

The Company has GDC at Hong Kong. Currently around 20 employees are working from this delivery Centre (including employees working onsite) at Hong Kong.

Metro Manila (Philippines)

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

Australia

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

Japan

The Company has Global Delivery Centre (GDC) at Japan. Currently around 30 employees are working from this delivery Centre (including employees working onsite) at Japan.

Human Resource Capital

Human Resource Capital and the value that it creates forms a big part of Company's growth story. The industry today is changing rapidly with automation and digitization being the buzzwords. The focus of the Company has been to leverage digital re-imagination to drive growth and efficiency of business models, products and services, business processes as well as the workplace. This helps the Company to deliver a superior experience to every key stakeholder, viz. customers, employees, investors and the community at large.

Exceeding customers' expectations requires a high level of focus, competence and technical expertise. The Company strengthened its recruitment efforts through continued employee referrals, job fairs, social media & campus recruitment drives. Over the last year, the Company has added 3,794 employees, taking the total strength to 19,999 from 16,205 at the end of the previous year. The Company is focused towards attracting and retaining high calibre employees through comprehensive Hiring and on-going Deployment processes. The Gender Diversity of Company is more evident now with a healthy 31% of our workforce being women.

The Company conducted the EMPPOWER survey, an employee engagement survey in collaboration with Great Place to Work®. The Company has invested in building a better workplace and the survey analysis will help the Company to precisely measure the underlying level of trust within the Company and help it to take steps to improve the work environment through the qualitative and quantitative data that the Company has collected.

The EMPPOWER survey closed with a good response and resulted in 66% positive employee experience on the overriding statement. The rating on the engagement index also increased to 65% from 60% in FY 2018.

The Company is committed to remain focused on its journey to be in the ranked list of Great Places to Work and this year's rating will further boost the chances and help the Company make measurable and impactful changes for employee engagement and welfare.

Talent Management - Asset Development

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

The company's focus is to develop a strong and internal pipeline of talent and to provide a platform for talented individuals to shine, innovate and create value for our clients. The company is abreast of the emerging market trends and is at the fore front of AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™, TRANSFORM CUSTOMER EXPERIENCES™.

One of the initiatives that helps us tap into the collective intelligence of our talent is Brainbox, which is a platform for our consultants to post ingenious ideas that go a long way in helping our customers save time and money.

The Company believes that Appreciation propels people to give their best at work and our robust Rewards & Recognition (RNR) portal bears testimony to that. Managers can nominate deserving employees for any of the awards such as Spot/Ace/ Star awards, best debutant and best team etc. Winners are guaranteed global recognition in the Hexaware world. RNR is also linked to our Performance Management System. Our new Project End Feedback system ensures that consultants get feedback for every project that they work on and are aware of their areas of improvement.

To help smoothen the process of Performance Management System (PMS) and to familiarize our people with the nuances of our tool, the Company has regular connect sessions and specific learning modules designed by the HR team. The PMS also has the functionality to identify future talent needed by the organization and a pipelined approach to groom the future leaders of the Company in collaboration with our Learning and Development arm: Hexavarsity. The Company helps to hone the skills of consultants through various training interventions at the organization level, regular Hackathons organized by our service partners as well as the Technical Competency Development Program (TCDP), which focusses on aligning the technical skills of our people to their specific roles.

The company focusses on Talent Management through interventions at every step of the way, right from Hiring to Retention. The Company focus on holistic employee development through our effective performance management system that is a structured and streamlined process to objectively evaluate one's performance against goals that are defined at the start of the year. In our quest for consistency and excellence, we continue to reward our top performers through our Hexaware-High Performance Club program, the membership to which is restricted only for 10% of our top achievers.

Employee Engagement is a binding force that help the Company work on a global platform and the Company also understands the need to connect with the Hexaware world on a global platform and our internal social networking tool, Facebook@ Work helps us to collaborate, brainstorm, provide real-time feedback and communicate with our leaders directly. Our Fun@Work activities throughout the year help our consultants to relax, rewind and rejuvenate themselves. Some of the activities include, programs by Funsters group, project outings, project lunches, activities that are geared toward team bonding and strengthening our common goal of working together as one Hexaware despite being spread out in various locations worldwide.

The Company's new developmental programs such as Mavericks, Hexaware Future Leaders and Hexaware Future Executives help employees visualise their career roadmap and make use of the plethora of opportunities that allows them to perform their roles to perfection.

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

Talent Acquisition

In the highly competitive environment for talent supply, a sharp focus on managing Talent acquisition, development and retention is vital for sustainable talent supply. During the year, the company made significant progress on this front and launched several new initiatives for talent acquisition.

In North America, which is our largest market, direct sourcing now constitutes more than 20% of our supply, it helps to save vendor costs for acquisition. The Company has also launched a Supplier Development program in North America to increase our sourcing reach in the market. In India, we increased our proactive hiring for fast moving skills and leverage sourcing partners for high volume areas.

The Company is also investing in smart technologies to improve talent acquisition and achieve higher velocity. During the year the Company has implemented new solutions for automated screening, candidate interviews and referral generation to name a few.

We take pride in our continued focus on employee retention. The Company's efforts to make Hexaware as Great Place to work with a strong focus on employees' career aspirations, rewards & recognition helped to reduce the annualized attrition rate to 15.8% in Q4-2019 from 17% in Q4-2018. Recognizing the fact that the workforce lives your brand, the HR team has embarked on a major re-branding exercise to build an engaging organization. For Making Hexaware a Great Place to Work, Company has launched an Employee Assistance Program by partnering with a counseling service provider (1 to 1 Helpnet) to provide professional counseling services to the employees.

To sustain our human capital strategy, the company has built human capital indicators with increased focus on accountability and ownership from all with inputs from our leadership team so as to bring about greater accountability and actively participate in the decision-making process that impacts our people. "The HR shared services" is SLA driven and primarily handles administrative tasks besides providing consultancy and high level support to all the arms of our business.

The Corporate HR team includes Centres of expertise catering to functional areas such as:

- Compensation and Benefits
- People processes and policy design
- Organizational capability development
- Talent acquisition (Leadership hiring and Campus Hiring)

Information Security

Information Security, also referred as Cybersecurity gets discussed nowadays at the board meetings due to its importance to IT Industry, digital transformations and new technology adoptions. The governance and management of Information Security is of paramount importance to the Company being its business enabler. Beyond compliance to laws, regulations, global standards and industry best practices, the expectations of the customers focus on capability to managing dynamic landscapes of threats and vulnerabilities to ensure Information Security assurance. In order to align the business operations of the Company with the frontline Industry, substantial investments had been made for secured technology adoption of cloud, virtualization, innovation, Artificial Intelligence, Robotics, Machine Learning, Deep Learning, Digital Transformation, Automation and more. The advantage of such investments by the Company in information security through latest tools, systems and devices provides competitive advantage as well as Nextgen and Hybrid security cover to business operations of the Company.

Information security management through Confidentiality, Integrity and High Availability are being time tested by external certification audits and assessments throughout the year as per the process managements of ISO and Industry standards. The governance review of Information security management encompasses all measures recommended and expected by the international standards, legal and regulatory requirements and also the customer contracts. Initiatives on digitization, automated exploration of operational security parameters, Vulnerability and Threat intelligence, risk hunting and risk discovery through vulnerability detection / sensors have strengthened the security and minimized the risk during the year elapsed. Continuous Improvement on regulatory compliance related to GDPR, alignment of business processes with Privacy Laws of different countries and entities, adoption of latest industry best practices and frameworks to strengthen the security program were also highlights of the elapsed year. Cyber Security resilience to manage various technical, man-made, natural and perceived threat scenarios are part of Company's business continuity management program and the certification journey of the company to get accredited with ISO22301, the global standard for Societal Security is underway. Role based security education and timely awareness on emerging security challenges find a planned evangelization of security trainings imparted to the employees, contractors and associated resources.

Quality Assurance

The Company has sustained its commitment to the highest levels of quality, best-in-class agile processes, robust information security practices and mature business continuity processes that have collectively helped achieve significant milestones during the year. While sustaining existing external benchmarks and certifications, the Company has added new certifications and further enhanced its programs and initiatives - specifically on GDPR and Business Continuity.

The Company continues to adhere to international quality standard certifications such as ISO 9001-2015, ISO 27001:2017, ISO 20000-1:2011, CMMI - DEV Ver 1.3 - Level 5, ISAE3402 and SSAE16 SOC-2 Type II.

The Company commissioned a survey on customer delight for FY 2019 by Feedback Insights, an independent market research firm to capture customer expectations and measure customer experience. On a scale of -100 to 100, the Company scored 69.9 as against an industry score ranging from 36.8 to 76. Over the last 5 years, there is significant improvement across key business metrics.

Benefits to customers:

"Brain Box" is the platform to encourage the employees to bring their ideas, value addition to our customers and systematically mange the ideation process.

The Company consistently continues to harnesses the power of knowledge gained by its employees working on their customer accounts, by encouraging them to create & implement value additions through BrainBox.

In FY 2019, 64% of the employees have proudly participated in this initiative and have posted over 1167 ideas proposing value additions under categories like automation, productivity improvement, financial savings and accelerate the time to market the customer's products and services. 766 of these ideas have been successfully delivered generating savings of over USD 23.52 million and around 298,428 hours of effort saved last year, which is being approved by esteemed customers of the Company. BFS is on top vertical for implementing 241 CVAs followed by H&I 209 and M&C 144. ADM 308, BIBA 129 and ES 113 remain the top competencies/ technologies used by teams to deliver higher number of CVAs to customers in FY 2019. The total cost saved in FY 2018 was $17.64 millions whereas in FY 2019, the cost saved is $23.52 millions. The count of implemented CVAs has increased in FY 2019 under various categories; Financial Saving 376, Market Ideas 28, Productivity 733, Time to market 30.

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

The customers / clients have benefited as a result of the fewer defects, reduction in cycle time and improved delivery capabilities. The Company has provided value-additions through improvement in the performance of the systems that have been outsourced, a reduction in the problems and failures, and improved stability. This has resulted in high levels of customer satisfaction and repeat business. Implementing the processes has trained the organization and people to be methodical and process-driven. The Company has introduced and improved upon best-of-breed industry practices and standards leading to improved delivery capability. Focus on quality has led to lower costs and improved efficiency within the organization.

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

Company focused on Corporate Governance

The Company provides utmost importance to best Corporate Governance practices which are designed to act in the best interest of its stakeholders. The fundamentals of Corporate Governance at the Company includes transparency, accountability, integrity, Independence, ethical corporate behaviour and fairness to all stakeholders like employees, customers, vendors, investors and the society at large.

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

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along certificate from the Auditors on its compliance, is attached and forms part of this Report.

Risk Management

As a global enterprise, the Company is exposed to a range of external as well as internal risks. In order to efficiently manage the risk and to identity and mitigate the risk the Company Enterprise Risk Management (ERM) framework is in place.

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

The Strategy and Risk committee is Risk Management Committee pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

Insurance

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

Internal Financial Control Systems

As a global enterprise, large number of employees, consultants, suppliers and other partners collaborate with Company to provide services to our customers. Strong internal controls and scalable processes are imperative to manage the global scale of operations.

The Company has proper and adequate system of internal controls commensurate with the size, scale and complexity of its operations. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of internal audits and management reviews supplements the process of internal financial control framework.

The internal auditor monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to fix the observations are presented to the Audit Committee of the Board.

Further details regarding internal financial Control are included in the Management Discussion and Analysis, which form part of this report. Report of statutory auditor on the internal financial control is also included in this report on page 179.

HexaVarsity

The Company continues its strong focus and thrust on talent development to ensure that our work force stays cutting-edge and deliver high value for our customers. Hexavarsity, our in-house, varsity leads this critical initiative for the Company, designing and delivering innovative programs to build the necessary capabilities from all talent channels. Our mission is 'to create an environment that motivates learning and empowers employees to grow and succeed in their chosen career path relevant to the business'.

Talent Transformation

'Evolve' is our next-gen talent transformation program launched in late FY 2018. Evolve is the industry-best program, focused on creating comprehensive role-based capabilities, backed by a stringent assessment that certifies people as 'Fit for a Role'. The program has been highly appreciated by our customers and employees and won a prestigious Innovation Award this year for making measurable impact and unlocking desired outcomes.

During the year, the Company launched several initiatives to encourage employees to embrace 'Evolve', kick start their upskilling process and raise the potential of our employees. The goal is to have every consultant in the Company complete at least one Foundation and one Advance certification by next year. The program coverage continues to be expanded to cover more functions in the organization, provide a learning path and improve career options for our employees. During the year new Role based certifications were added for Global Bid Management and Recruitment functions.

Behavioral Development

During the year, Hexavarsity acquired in-house capabilities for a specialist tool based Behavioral Assessments. Our teams are now certified in the assessment methodology and tool and we are applying behavioral assessments to improve functional team dynamics and recruiting middle and senior level talent for the organization.

Communication Development

With the increase of agile based delivery, traditional customer interaction models have changed. It is important to develop communication skills in the work force and equip them well for customer connects. To enable this, the Company has launched a "Toastmasters" chapter in Chennai and Mexico. The initiative has been well received by our associates and we are seeing an active participation in the forum by our employees.

Campus Programs

To meet our growing demand for talent and improve workforce mix the Company has further strengthened the Campus intake and development programs during the year.

The Company has also strengthened Campus Sourcing, with a focused Campus team to build deep Campus connects to attract the best Campus talent for the company both in India and the USA.

Besides technical talent development from the Campus, the company also made a strong focus on new management talent from the Campus

Fresher Training Program (FTP)

Fresher Training Program (FTP) was re-branded as 'Mavericks Program' and launched in June 2019. The Company have made significant changes to the program during the year. A strong mentorship program, regular HR connect, and a unique onboarding experience are some of the changes introduced this year. The Mavericks Program is designed around 'Learning to Learn' and 'Learn by Doing' and further enhanced with Gamification experience for the millennials. The Mavericks program covers industry best Soft & Behavioral skills training, a strong foundation of Full-Stack Agile training and Competency specific trainings all backed by a rigorous assessment to ensure steady pipeline of fresh talent into the organization. The Company also piloted a batch of Full stack Agile training in the USA during the year to build another supply chain of talent for the North American market.

Senior Management Trainee Program

The Company has re-branded our Senior Management Trainee Program as "Hexaware Future Leaders" program and the Management Trainee Program as "Hexaware Future Executives" during the year and designated a mentor to nurture and develop a long-term supply chain of management talent for the Company. The program and the outcomes have been well appreciated by our units and we see a strong demand for more in the coming years.

Professional Certifications

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

Related party transactions

During the financial year 2019, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the rules issued thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

All Related Party Transactions are placed before the Audit Committee and Board. The policy on Related Party Transactions is uploaded on the Company's website.

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

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

The details as required to be provided under Section 134(3)(h) of Companies Act, 2013 are disclosed in form AOC-2 as

Annexure 2 and forms part of this Annual Report

Employee Stock Option Plans (ESOP)

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

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

During FY 2019, following were the exercise made by employees and grant made to employees/director under ESOPs:

10,23,332 options were exercised and the Company allotted 10,23,332 equity shares of ₹2/- each (face value) to the employees on such exercise. These shares have been listed on the BSE Limited and National Stock Exchange of India Limited.

18,27,746 Restricted Stock Units (RSUs) were granted under 2015 scheme during FY 2019 as explained below:

- January 30, 2019 - 26,350 RSUs.
- April 24, 2019 – 52,100 RSUs.
- August 08, 2019 – 14,72, 750 RSUs.
- October 23, 2019 – 2, 76, 546 RSUs.

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

Fixed deposits

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

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

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

Insider Trading Regulations

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated a Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code') and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') which are in force. The Fair Disclosure Code is available on the website of the Company at the following link : http://hexaware.com/investors/

Dividend Distribution Policy

The Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the company at the following link : http://hexaware.com/investors/

Management Discussion and Analysis Report

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

Investor Education and Protection Fund (IEPF)

Details of unclaimed Dividend and Shares transferred to IEPF during FY 2019 are given in Corporate Governance Report.

Directors' Responsibility Statement

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

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

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

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

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

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

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

Directors and Key Managerial Personnel

During the year following Directors ceased to be Directors of the Company pursuant to completion of second term of appointment as an Independent Director:

1. Mr. Basab Pradhan (DIN 00892181) w.e.f June 08, 2019
2. Mr. Christian Oecking (DIN 03090264) w.e.f June 25, 2019
3. Mr. Dileep Choksi (DIN 00016322) w.e.f October 16, 2019
4. Mr. Bharat Shah (DIN 00136969) w.e.f October 16, 2019

In accordance with the provisions of Companies Act, 2013, Mr. Atul Nishar, (DIN: 00307229), Director of the Company, retires by rotation at this Annual General Meeting and, being eligible; offers himself for re-appointment at the Annual General Meeting.

During the year Mr. R Srikrishna (DIN: 03160121) was reappointed as Additional Director designated as CEO and Executive Director in the board meeting held on July 13, 2019 and to hold office till conclusion next Annual General Meeting. The board has recommended to the members approval of regularisation of appointment of Mr. R Srikrishna at the forth coming Annual General Meeting.

The re-appointment of Mr. R Srikrishna as Whole Time Director is subject to approval of Central Government. The application for seeking approval of Central Government is filed by the Company in eform MR 2 and the same is in process with Central Government.

The information of Directors seeking appointment / re- appointment at the Annual General Meeting to be given to the shareholder as per regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is being provided separately on Page No. 104 & 105 of this Annual Report. Members are requested to refer the said section of the Corporate Governance Report.

Number of Meetings of the Board

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

Declaration by Independent directors

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

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

Board Evaluation

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

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

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

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

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

In a separate meeting of Independent Directors held on December 19, 2019, performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

Training of Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducts familiarization programmes for its Directors which includes discussion on Industry Outlook, Regulatory updates at Board and Audit Committee Meetings covering changes with respect to the Companies Act, SEBI Listing Regulations, Taxation and other matters, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, Framework for Related Party Transactions etc. The Executive Director and Senior Managerial personnel make presentations at the Board Meetings about Company's operations, markets, financial results, human resources and on other important aspects.

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

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

Committees of the Board

Pursuant to retirement of four Independent Directors during the year, the Board of Directors has reconstituted committee on December 19, 2019.

The Board of Directors have following committees as on December 31, 2019:

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

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

The list of committees along with the composition of the same is also available on the website of the Company.

Compliance of Secretarial Standards

The Company complies with all applicable secretarial standards.

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

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

Whistle blower policy

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

Statutory Auditor

The Board of Directors of the Company at its meeting held on February 8, 2018 have appointed BSR & Co. LLP, Chartered Accountants, Mumbai with Registration no. 101248W/W-100022 as Statutory Auditors. There appointment was confirmed by the members in the 25th Annual General Meeting held on May 03, 2018 for a period of 5 years, to hold office till the conclusion of 30th Annual General Meeting.

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

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit reports on the Consolidated and Standalone financial statements for the year ended December 31, 2019.

Internal Auditor

Internal Audit for the year ended 31st December, 2019 was done by Pricewaterhousecoopers Private Limited and Internal Audit report at periodic intervals were placed before the Audit Committee.

Secretarial Auditor

M/s. Makarand M Joshi & Co., Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the year ended 31st December, 2019 as per the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder. The Secretarial Audit report for the year ended 31st December, 2019 is annexed to Board's report as **Annexure 3**. There are no qualifications, reservations adverse remarks made by Secretarial Auditor in his report except one remark regarding delay by one day in filing Statements of Investor Grievances under regulation 13 of Listing Regulations.

Explanations or comments by the Board on the aforesaid remark:

The board has noted inadvertent delay of one day in filing Statement of Investor Grievances with Stock Exchange.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2019 for all applicable compliances as per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. Makarand M Joshi & Co., Practising Company Secretary shall be submitted to the Stock Exchanges within 60 days of the end of the Financial Year and the same is available on website of the Company www.hexaware.com.

Reporting of frauds by auditors

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

Cost Records

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

Significant/Material Orders Passed by the Regulators

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

Corporate Social Responsibility

Pursuant to the provisions of section 135 of the Companies Act, 2013, the Company spent ₹99.64 Million towards CSR activities for the year ended 31st December 2019. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during year ended on 31st December 2019 as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 4** to this Report and CSR policy of the Company is available on our website at www.hexaware.com. The Composition of CSR Committee is given in the Corporate Governance Report.

Extract of annual return

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

Financial year

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

The Mobiquity Softech Private Limited, the subsidiary company has also received approval from Regional Director, Ahmedabad under section 2 (41) of the Companies Act, 2013 for continuing January to December as its financial year and to keep the current financial year as starting from 1st April, 2019 and ending on 31st December, 2019 i.e. for period of 9 months and subsequently to continue calendar year as its financial year from 1st January of every year and ending on 31st of December.

Particulars of Directors and Employees

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

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

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

The Company has in place a framework for employees to report sexual harassment cases at workplace and our process ensures complete confidentiality of information. The Company has in place Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done through various programs and at regular intervals to the employees.

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

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

The following is the summary of the complaints received and disposed of during the financial year 2019:

a) No. of complaints received during the year: 01

b) No. of complaints disposed of: 01

c) No. of complaints pending : NIL

Green initiatives

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

As a part of Green Initiative notice calling the Annual General Meeting, Corporate governance report, Directors' report, Audited financial statements, Auditors' report, etc are being sent through electronic mode to those members whose email addresses are registered with the company / depositories.

Members may note that notice and annual report FY 2019 will also be available on Company's website www.hexaware.com, websites of stock exchanges i.e. BSE Limited and National stock exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL www.evoting.nsdl.com

The Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The facility of electronic voting system shall be made available during the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights to vote during the AGM through electronic voting system.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of the Company for FY 2019 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Acknowledgment

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

For and on behalf of the Board of Directors

Date : February 11, 2020
Place : Mumbai

Atul K. Nishar
Chairman

Annexure to the Directors' Report

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS REPORT IN TERMS OF SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013, AND RULES MADE THEREUNDER.

CONSERVATION OF ENERGY:

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

The Company has taken various initiatives as listed below, for energy conservation and preserving natural resources.

The Company has installed additional 523 KW Roof Top solar system in its Siruseri campus in FY 2019 and Company has Roof Top Solar System of 114KW at Mumbai MBP. Power generated in FY 2019 from these systems is 1674058 & 150826 Units respectively.

This results in avoiding of Green House Gas emission of about 1663 tons of CO_2 (Carbon Dioxide). 1526 Tons at Chennai and 137 at MBP.

Wind energy to the tune of about 8.1 million units are availed in year FY 2019 as Captive Power Consumer through 3rd party Private power agency.

82% of total energy consumed at Chennai campus is fed from Green Power (Wind & Solar).

Sewage & Waste water is treated and used for gardening @ 184 KL per day (working day) at Chennai campus and 38KL at Pune Campus.

In FY 2019, Sewage Treatment Plant (STP) treated water about 55,000KL at Chennai and 12000KL at Pune is recycled and reused. The Company undertakes several green campaigns throughout its locations.

Energy efficient LED light fixtures are installed at Chennai campus (Phase-1) in place of conventional fittings & CFL type to save energy, 10,62,470 Units are saved in FY 2019.

Modular UPS units are installed at Chennai campus (Phase-1) in place of Conventional UPS units. 5,85,523 Units is saved in FY 2019.

7,24,000 Units are saved in FY 2019 at Mumbai MBP (Bldg.1 & 152) by installation of LED light fixtures and Modular UPS units.

TECHNOLOGY ABSORPTION:

The Company has Invested in the State of Art Infrastructure to provide cutting-edge solutions to Maximize the Value of Productivity and Quality of Services.

During FY 2019, Systems Technology Group (STG) has taken up key initiatives to improve the digital experience by a mix of re-engineering and technology enabling solutions to enhance the end user experience.

Asset Modernization - Asset Modernization program is intended to significantly reduce the reliability risk and increase the productivity. The Company has refreshed End User and Network Devices and this has helped in reducing the support tickets by 33% and increasing the satisfaction of the employees.

DC upgrade from traditional hardware to HCI – The Company has adopted Nutanix Hyper Converged Infrastructure to reap the benefits of enhancing uptime of all the critical Servers, Increase Disk I/O Performance and redundancy. It helped in consolidating the physical server and storage infrastructure reducing the Real-estate occupancy, power and cooling consumption. Scaling up the Infrastructure for the new clients and onboarding them was made simple and easy to deliver and turn around the solution within no time.

Cloud for Disaster Recovery (DR) – Cloud computing is model for enabling convenient and on-demand resources, this has enabled the Company to setup the core infrastructure and services to be available on the fly to trigger DR at any point of time with an optimized cash flow and minimal efforts. Moving from physical infrastructure to Cloud and adoption of auto scaling as well as CDN has reduced the errors during the failover and Time to setup the DR.

Transformation to New WebEx Platform – We have transformed from the legacy model of Collaboration Solution to the New Cisco WebEx Infrastructure, with the new Infra, we have scaled up the concurrent calls by 10 times to accommodate and encourage the users to use the service for better collaboration. Migrated from the traditional analogue technology to the modern IP technology for voice and increased the video experience for better collaboration.

Microsoft Teams roll out enterprise wide – Implemented TEAMS Organization wide to easily manage conversations and tasks. Teams has helped to integrate the bots with the organization automation for an easy access to the information.

RESEARCH & DEVELOPMENT:

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

The offering engineering lab services request from service offering owners in crafting pre-build solutions that's required for their respective offerings. Offering engineering lab is engineering hub for building & maintaining all frameworks, solutions, accelerators & solutions pertaining to Hexaware offerings cutting across all verticals & horizontals. Some of the target areas include tools for modern delivery, accelerators that de-risks engagements & solutions pertaining to customer & employee experience.

Innovation Lab pursues all research & development activities within the organization.

Innovation lab does secondary research & applied innovation. Research primarily focuses future trends in the area of technology & its impact to our customers & Hexaware. Lab interfaces with the Customers, business units, vendors, start-ups, analysts and Hexaware alliances. Innovation lab is an-enabler to drive customer's business objectives and its more aligned to our business and our customer needs. The key goal of this lab is to drive thought leadership & future proofing for Hexaware & its customers.

Innovation lab over the years has incubated number of service offerings and horizontal businesses. The current key focus area for incubation is in the area of Extended Realities. Extended realities include number vision technologies including Augmented Reality, Mixed Reality, Virtual Reality, Smart Glasses, Head Mounted Displays & Vision AL/ML technologies. Extended Reality technologies help blur the line between the real world & the virtual world and help turn enterprises into becoming digital predators in their respective markets.

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in million)

	Year 2019	Year 2018
Foreign Exchange Earnings	19,820.34	16, 548.31
Foreign Exchange outgo	2,008.63	1,314.00

For and on behalf of the Board of Directors

Date : February 11, 2020
Place : Mumbai

Atul K. Nishar
Chairman

Annexure 1

Form AOC - 1

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

a) Subsidiaries

₹ Million

Sr. No.	1	2	3	4	5	6	7	8	9	10
Name of the Subsidiary	Hexaware Technologies Inc- USA	Hexaware Technologies UK Ltd	Hexaware Technologies GMBH	Hexaware Technologies Asia Pacific Pte Ltd	Hexaware Technologies Ltd - Mexico, Mexico S.De. R.L. De.C.V.	Hexaware Technologies Canada Ltd	Guangzhou Hexaware Information Technologies Company Limited-China	Hexaware Technologies Saudi LLC	Hexaware Technologies Romania SRL	Hexaware Technologies LLC - Russia
Reporting currency and exchange rate as on the date of the relevant financial year in case of foreign subsidiaries	USD 71.385	GBP 94.185	Euro 80.095	SGD 53.0525	MXN 3.7745	CAD 54.7925	CNY 10.2582	SAR 19.0275	RON 16.7597	RUB 1.148
Share Capital	573.34	204.10	14.49	26.53	30.53	1.28	13.53	9.51	1.89	180.50
Reserve and Surplus	4,989.17	265.05	332.13	859.69	460.24	135.21	(11.93)	(9.02)	(113.72)	(138.95)
Total Assets	22,581.56	2,243.27	505.39	1,081.26	673.25	207.07	1.60	51.45	17.44	47.60
Total Liabilities	17,019.05	1,774.13	158.77	195.05	182.49	70.58	0.00	50.95	129.28	6.05
Investments	13,000.20	1.84	0.20	20.09	-	-	-	-	-	-
Turnover *	36,297.28	5,602.51	823.94	1,011.48	1,395.04	557.81	4.05	42.10	4.51	59.06
Profit / (Loss) before taxation *	1,224.68	71.05	30.86	110.94	78.10	46.63	(2.18)	2.52	(28.55)	3.90
Provision for taxation *	297.81	31.36	9.53	12.62	23.86	12.94	-	-	-	-
Profit / (Loss) after taxation *	926.87	39.69	21.32	98.32	54.23	33.69	(2.18)	2.52	(28.55)	3.90
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Sr. No.	11	12	13	14	15	16	17	18	19	20
Name of the Subsidiary	Hexaware Technologies Hong Kong Ltd - Hongkong	Hexaware Technologies Nordic AB - Sweden	Hexaware Technologies South Africa (Pte) Ltd	Shanghai Hexaware Information Technologies Company Limited	Mobiquity Inc	Mobiquity Velocity Solutions Inc	Mobiquity Cooperative UA	Mobiquity BV	Morgan Clark BV	Mobiquity Softech Private Limited
Reporting currency and exchange rate as on the date of the relevant financial year in case of foreign subsidiaries	HKD 9.1675	SEK 7.675	SA Rand 71.385	CNY 10.2582	USD 71.385	USD 71.385	USD 71.385	EUR 80.095	EUR 80.095	₹ 1
Share Capital	17.83	0.38	-	3.56	0.00	19.67	-	1.44	1.44	0.10
Reserve and Surplus	48.10	(38.36)	-	(2.58)	1,256.46	(166.61)	-	380.12	0.99	115.29
Total Assets	98.19	47.27	-	4.63	1,789.79	0.06	-	741.80	77.63	371.80
Total Liabilities	32.25	85.25	-	3.64	533.33	147.00	-	360.24	75.20	256.40
Investments	-	-	-	-	295.32	-	-	-	-	-
Turnover *	177.27	206.90	-	19.40	2,214.63	-	-	1,449.13	186.62	394.03
Profit / (Loss) before taxation *	44.85	(33.13)	-	(3.52)	422.07	-	-	94.59	14.02	58.30
Provision for taxation *	7.40	-	-	0.13	3.82	-	-	29.21	-	15.43
Profit / (Loss) after taxation *	37.45	(33.13)	-	(3.66)	418.25	-	-	65.37	14.02	42.87
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Converted at average exchange rates

b) Associates

Name of the Associate	Experis Technology Solutions Pte Ltd
Latest Balance Sheet Date	31st December 2019
Shares of Associate held by the company on the year end	250,000
Amount of Investment in Associate (In ₹ Million)	16.95
Extent of Holding (in percentage)	20%
Description of how there is significant influence	Holding 20% of the voting power
Reason why the associate/joint venture is not consolidated	Not applicable
Net worth attributable to Shareholding as per latest audited Balance Sheet (In ₹ Million)	26.79
Profit for the year considered in consolidation (In ₹ Million)	4.10
Profit for the year not considered in consolidation (In ₹ Million)	NIL

Notes:

1 Hexaware Technologies South Africa (Pte) Ltd formed on November 25, 2019.
2 Mobiquity Inc was acquired on 13th June 2019, Subsidiary of Hexaware Technologies Inc.
3 Mobiquity Softech Private Limited was acquired on 13th June 2019, Subsidiary of Hexaware Technologies Limied
4 Mobiquity Velocity Solutions, Inc and Mobiquity Velocity Cooperative UA are subsidiaries of Mobiquity Inc.
5 Mobiquity BV and Morgan Clark BV are subsidiaries of Mobiquity Velocity Cooperative UA
6 Montana Merger Sub Inc. formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019

For and on behalf of the Board of Directors

Atul K. Nishar
Chairman
Date : February 11, 2020
Place : Mumbai

Annexure 2

Form No. AOC - 2

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

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

1	Details of contracts or arrangements or transactions not at arm's length basis	There are no contracts or arrangements or transactions with related parties which are not at arm's length
2	Details of material contracts or arrangements or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of relationship:	Wholly owned subsidiaries Hexaware Technologies Inc, USA ("HT Inc.")
(b)	Nature of contracts/arrangements/transactions:	Software, consultancy and ITES income
(c)	Duration of the contracts / arrangements/transactions:	Ongoing.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company shall provide IT/ITES Offshore Services (generally services are performed in India) to HT Inc. clients including where required, including monitoring and supervisory support in relation to the delivery of software solutions and customization, testing and installation and ITES services. Corporate Guarantee for the borrowing by HT Inc and for the payment of deferred consideration by HT Inc. During the year, the total income earned from HT Inc. towards provision of IT / ITES services were ₹9,977.00 million. The transactions of recovery of cost from HT Inc. was ₹362.69 million and corporate guarantee charges was ₹10.19 million. Corporate guarantee given ₹7,923.74 million.
(e)	Date(s) of approval by the Board, if any:	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Atul K. Nishar
Chairman
Date : February 11, 2020
Place : Mumbai

Annexure 3

Form No. MR 3

SECRETARIAL AUDIT REPORT

For Financial Year Ended 31st December, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Hexaware Technologies Limited
152, Millennium Business Park,
Sector – III, 'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai – 400710

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2019 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2019 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment **(External Commercial Borrowings are not Applicable to the Company during the Audit Period);**

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

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

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and

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

(vi) **We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

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

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

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (here and after referred as'Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under except delay by 1 day in filing statements of investor grievances under regulation 13 of Listing Regulations.

We further report that

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

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

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

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

We further report that during the audit period the Company has allotted 10,23,332 Equity Shares pursuant to Exercise of the Option granted under different schemes of the Company.

For Makarand M. Joshi & Co.

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai — UDIN: F005533B000136081
Date: February 11, 2020 — Peer Review No. P2009MH007000

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

'Annexure A'

To,

The Members,
Hexaware Technologies Limited
152, Millennium Business Park,
Sector – III, 'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai – 400710

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

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

For Makarand M. Joshi & Co.

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai — UDIN: F005533B000136081
Date: February 11, 2020 — Peer Review No. P2009MH007000

Annexure 4

CSR REPORT – FY 2019

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

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

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

1. Education and woman empowerment
2. Environment
3. Health and sanitation
4. Sports
5. Skill development

The CSR Policy adopted by Hexaware is available in the given web link: http://hexaware.com/fileadd/csr-policy.pdf

2. The Composition of the CSR Committee.

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

The members of the CSR committee as on December 31, 2019:

Name	Designation
Mrs. Meera Shankar	Chairperson
Mr. Atul Nishar	Member
Mr. Jimmy Mahtani	Member

3. Average net profit of the company for last three financial years – ₹4,981.44 Million

4. Prescribed CSR Expenditure (two per cent. Of the amount, as in item 3 above) – ₹99.63 million

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹99.63 million

(b) Amount unspent, if any: Nil

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

Sr.no.	CSR Project or activity identified	Sector in which project is covered	Projects or Programs 1. Local area or other 2. Specified Location	Amount Outlay (budget) on Project or Programs (in ₹)	Amount spent on the projects or programs (in ₹) 1. Direct Expenditure 2. Overheads	Cumulative expenditure up to the reporting period (in ₹)	Amount Spent: Direct or through implementing agency
1.	Udaan - Empowerment of children of sex workers in the red-light area	Eradicating hunger, poverty and malnutrition, promoting education	1. Local 2. Mumbai	1,281,057	1,259,977	1,259,977	Through implementing agency: Apne Aap Women's Collective
2.	Umeed- Empowerment of Women by providing alternative livelihood opportunities for women in red light area	Eradicating hunger, poverty and malnutrition, promoting education, enhancing vocational skills, livelihood enhancement	1. Local 2. Mumbai	2,484,235	2,460,672	2,460,672	Through implementing agency: Apne Aap Women's Collective
3.	Digital and Financial Education	Promoting education	1. Local 2. Chennai, Mumbai	2,805,300	2,975,760	2,975,760	Through implementing agency: America India Foundation Trust
4.	Antar Bharti Balgram Yojna - Holistic development of underprivileged children	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education, enhancing vocational skills, livelihood enhancement	1. Local 2. Lonavala, Pune	4,400,000	4,400,000	4,400,000	Through implementing agency: India Sponsorship Committee

Sr.no.	CSR Project or activity identified	Sector in which project is covered	Projects or Programs 1. Local area or other 2. Specified Location	Amount Outlay (budget) on Project or Programs (in ₹)	Amount spent on the projects or programs (in ₹) 1. Direct Expenditure 2. Overheads	Cumulative expenditure up to the reporting period (in ₹)	Amount Spent: Direct or through implementing agency
5.	Art Education and Seminar - Art 1st	Promoting education	1. Local 2. Mumbai	1,520,000	1,368,000	1,368,000	Through implementing agency: Art 1st Foundation
6.	Art Education and Seminar - Art 1st	Promoting education	1. Local 2. Mumbai	300,000	300,000	300,000	Through implementing agency: Art 1st Foundation
7.	Avishkar Hyperloop Project - IIT Madras	Promoting education	1. Local 2. Chennai	1,000,000	1,000,000	1,000,000	Through implementing agency: IITM Student's Activities Trust
8.	Clean and Safe Neighbourhood	Ensuring environmental sustainability	1. Local 2. Chennai, Pune	2,423,931	2,423,931	2,423,931	Direct
9.	Providing digital literacy in 10 Government Schools through setting up of computer labs	Promoting Education	1. Local 2. Chennai	1,458,816	1,312,934	1,312,934	Through implementing agency: Team Everest
10.	Nutritional Outreach Program	Eradicating hunger, poverty and malnutrition and promoting preventive health care	1. Local 2. Mumbai	4,174,000	4,141,303	4,141,303	Through implementing agency: Cuddles Foundation
11.	Pond Restoration Projects - Environmental Foundation of India	Ensuring environmental sustainability	1. Local 2. Chennai	3,799,400	2,984,000	2,984,000	Through implementing agency: Environmental Foundation of India (EFI)
12.	Armed Forces Flag Day Fund	For State & Central Funds	1. Local 2. Chennai	25,000	25,000	25,000	Through implementing agency: Flag Day Fund
13.	Providing Scholarship to 425 underprivileged and meritorious students to support higher studies	Promoting Education	1. Local 2. Pune, Chennai, Mumbai	4,000,000	4,000,000	4,000,000	Through implementing agency: IDEA Foundation
14.	Seminar on Indian Women Scientist	Promoting women empowerment	1. Local 2. Mumbai	500,000	500,000	500,000	Through implementing agency: Indian Women Scientists' Association
15.	Mentorship & Skill Training for Girls	Promoting education, including employment enhancing vocation skills among women	1. Local 2.Mumbai	1,664,160	1,717,188	1,717,188	Through implementing agency: Katalyst India
16.	Skill development training for employability	Promoting employment enhancing vocation skills and livelihood enhancement among youth	1. Local 2. Mumbai, Pune, Chennai, Lonavala	9,127,000	6,375,225	6,375,225	Through implementing agencies: Magic Bus Foundation
17.	Providing prosthetic legs for amputees	Eradicating hunger, poverty and malnutrition and promoting preventive health care	1. Local 2. Chennai	1,000,000	1,000,000	1,000,000	Through implementing agencies: Dream Runner Foundation
18.	Promoting children's education	Promoting education	1. Local 2. Mumbai	732,000	732,000	732,000	Through implementing agency: Save The Children
19.	Promoting children's education	Promoting education	1. Local 2. Mumbai	732,000	732,000	732,000	Through implementing agency: Helen Keller Institute

Sr.no.	CSR Project or activity identified	Sector in which project is covered	Projects or Programs 1. Local area or other 2. Specified Location	Amount Outlay (budget) on Project or Programs (in ₹)	Amount spent on the projects or programs (in ₹) 1. Direct Expenditure 2. Overheads	Cumulative expenditure up to the reporting period (in ₹)	Amount Spent: Direct or through implementing agency
20.	Promoting children's education	Promoting education	1. Local 2. Mumbai	272,000	272,000	272,000	Through implementing agency: Manav Foundation
21.	Promoting children's education	Promoting education	1. Local 2. Mumbai	277,000	277,000	277,000	Through implementing agency: United Way
22.	Promoting children's education	Promoting education	1. Local 2. Mumbai	732,000	732,000	732,000	Through implementing agency: Apna Aap Women's Collective
23.	Promoting children's education	Promoting education	1. Local 2. Mumbai	229,700	229,700	229,700	Through implementing agency: Jayaprakash Narayan Memorial trust
24.	Promoting children's education	Promoting education	1. Local 2. Mumbai	455,000	455,000	455,000	Through implementing agency: Helen Keller Institute
25.	Supporting junior women athletes and para athletes in sports training	Training to promote nationally recognized sports and Olympic sports	1. Local 2. Mumbai	6,000,000	5,750,000	5,750,000	Through implementing agency: Olympic Gold Quest
26.	Providing complete care program including healthcare and education support to girls on living on the streets	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education	1. Local 2. Chennai, Mumbai	8,430,762	9,119,432	9,119,432	Through implementing agency: Rainbow Homes
27.	Skill development training for employability	Promoting employment enhancing vocation skills and livelihood enhancement among youth	1. Local 2. Mumbai, Pune, Chennai, Lonavala	1,274,595	1,274,595	1,274,595	Through implementing agencies: Smile Foundation
28.	Holistic development and nurturing of underprivileged children	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, promoting education, enhancing vocational skills, livelihood enhancement	1. Local 2. Pune, Bangalore, Chennai, Mumbai	4,536,000	5,382,720	5,382,720	Through implementing agency: SOS Children's Village
29.	Promoting science awareness among high school students, increasing their understanding of science and attracting them into scientific careers through activities emphasizing hands-on research.	Promoting Education	1. Local 2. Chennai	4,000,000	3,600,000	3,600,000	Through implementing agency: Space Kidz India
30.	Providing training to people with disability to get employment in retail industry	Promoting education, including special education and employment enhancing vocational skills	1. Local 2.Pune, Mumbai, Chennai,	6,191,195	6,149,081	6,149,081	Through implementing agency: TRRAIN

Sr.no.	CSR Project or activity identified	Sector in which project is covered	Projects or Programs 1. Local area or other 2. Specified Location	Amount Outlay (budget) on Project or Programs (in ₹)	Amount spent on the projects or programs (in ₹) 1. Direct Expenditure 2. Overheads	Cumulative expenditure up to the reporting period (in ₹)	Amount Spent: Direct or through implementing agency
31.	Vocational training centre and support for Persons with Disability	Promoting employment enhancing vocation skills and livelihood enhancement projects among differently abled	1. Local 2. Chennai	1,203,250	1,380,003	1,380,003	Through implementing agency: V- Excel Educational Trust
32.	Early intervention Programme	Promoting education, including special education for the differently abled	1. Local 2. Chennai	2,250,000	2,323,923	2,323,923	Through implementing agency: V-Excel Educational Trust
33.	Promoting hygiene, sanitation practices in 21 Government Schools	Promoting Education, promoting preventive health care and sanitation	1. Local 2. Mumbai	21,000,000	19,600,000	19,600,000	Through implementing agency: Yuva Unstoppable
34.	Monitoring, Evaluation of projects and administrative expenses	-	1. Local 2. Pune, Chennai, Mumbai	3,389,981	3,389,981	3,389,981	Direct
	Total			**103,668,382**	**99,643,425**	**99,643,425**	

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

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

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The CSR Committee of the Board is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Date : February 11, 2020
Place: Mumbai

R. Srikrishna
CEO & Executive Director

Meera Shankar
Chairperson CSR Committee

Annexure - 5

Form No. MGT 9

Extract of Annual Return
As on financial year ended on 31.12.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1	CIN	L72900MH1992PLC069662
2	Registration Date	20/11/1992
3	Name of the Company	HEXAWARE TECHNOLOGIES LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	152, Millenium Business Park, Sector 3rd 'A' Block , TTC Industrial Area Mahape, Navi Mumbai 400710 Tel: +91 22 4159 9595 Fax: +91 22 41599578 www.hexaware.com Email id: Investori@hexaware.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited Unit: Hexaware Technologies Limited Corporate office: Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Hyderabad - 500 032 Contact details: Tel: +91 40 67162222 Fax number: +91 40 23420814 Email: einward.ris@kfintech.com Website: www.kfintech.com Investor Relation Centre: 24 B, Rajabahadur Mansion, Ground Floor, Amabalal Doshi Marg, Fort, Mumbai – 400 023 Tel: 022 66235454 Email: einward.ris@kfintech.com Website: www.kfintech.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	100

III. Particulars of Holding, Subsidiary and Associate Companies

SN.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	HT Global IT Solutions Holdings Limited 3rd Floor, 335 NeXTeracon Tower 1, Cybercity, Ebene, Mauritius.	Foreign Company	Holding	62.44	2(46)
2	Hexaware Technologies Inc. 101 Wood Avenue South, Suite 600, Iselin, New Jersey 08830 USA	Foreign Company	Subsidiary	100	2(87)
3	Hexaware Technologies GmbH, Germany Mainzer Landstr . 33, 60329 Frankfurt am Main Germany	Foreign Company	Subsidiary	100	2(87)

SN.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Hexaware Technologies UK Limited Level 19, 40 Bank Street, Canary Wharf, London – E14 5NR	Foreign Company	Subsidiary	100	2(87)
5	Hexaware Technologies Asia Pacific Pte. Limited 180, Cecil Street, # 09-03, Bangkok Bank Building, SINGAPORE 69546	Foreign Company	Subsidiary	100	2(87)
6	Hexaware Technologies Canada Limited 2 Robert Speck Parkway, Suite 735, Mississauga, ON L4Z 1H8.	Foreign Company	Subsidiary	100	2(87)
7	Hexaware Technologies Mexico S de RL De CV Avenida San Angel # 240 Piso 3, Fracc. San Agustin, Saltillo, Coah. C.P. 25215, Mexico	Foreign Company	Subsidiary	100	2(87)
8	Guangzhou Hexaware Information Technologies Company Limited Office 711, 7/F, Main Tower, Guangdong International Building, No.339 Huanshi Road East, Yuexiu District, Guangzhou 510098, China	Foreign Company	Subsidiary	100	2(87)
9	Hexaware Technologies LLC Russian Fedreration,170100, Tver, Industrialnaya building 7	Foreign Company	Subsidiary	100	2(87)
10	Hexaware Technologies Romania SRL AFI Park 4, 4A Timisoara Blvd., District 6, Bucharest 61328, Romania	Foreign Company	Subsidiary	100	2(87)
11	Hexaware Technologies Saudi LLC P.O. Box No.: 30024, Kingdom of Saudi Arabia Office No. 406 - A, Al Olaya Mazaya Tower, Riyadh	Foreign Company	Subsidiary	100	2(87)
12	Hexaware Technologies Hong Kong Limited RM 1906, 19/F LEE Garden One, 33 Hysan Avenue Causeway Bay Hong Kong	Foreign Company	Subsidiary	100	2(87)
13	Hexaware Technologies Nordic AB HMR Redovisning AB, Tellusvagen, 5A, 186 36 Vallentuna, Stockholm, Sweden	Foreign Company	Subsidiary	100	2(87)
14	Hexaware Information Technologies (Shanghai) Company Limited Room 202, Block 1 No.255, Meisheng Road, China (Shanghai) Free Trade Area	Foreign Company	Subsidiary	100	2(87)
15	Mobiquity Inc 51 Sawyer Road, Suite 410, Waltham, Massachusetts	Foreign Company	Subsidiary	100	2(87)
16	Mobiquity Velocity Solutions, Inc 51 Sawyer Road, Suite 410, Waltham, Massachusetts	Foreign Company	Subsidiary	100	2(87)
17	Mobiquity Cooperatief UA Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
18	Mobiquity BV Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
19	Morgan Clark BV Barbara Strozzilaan 300, 1083 HN Amsterdam	Foreign Company	Subsidiary	100	2(87)
20	Hexaware Technologies South Africa (PTY) Ltd 13th Floor, Pier Place 31 Heerengracht Street Cape Town, 8001 South Africa	Foreign Company	Subsidiary	100	2(87)
21	Mobiquity Softech Private Limited 5th Floor, Tower B, Privilon, B/H Iskon Temple, Ambli Brt Road, Ahmedabad 380059	U72200GJ2010PTC062188	Subsidiary	100	2(87)
22	Experis Technology Solutions PTE LTD 10 HOE Chiang Road # 21 - 04/05 Keppel Towers, Singapore 089315	Foreign Company	Associate	20	2(6)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-01-2019]				No. of Shares held at the end of the year [As on 31-12-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	186,318,590	-	186,318,590	62.66%	186,318,590	-	186,318,590	62.44%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	**186,318,590**	**-**	**186,318,590**	**62.66%**	**186,318,590**	**-**	**186,318,590**	**62.44%**	**0.00%**
TOTAL (A)	**186,318,590**	**-**	**186,318,590**	**62.66%**	**186,318,590**	**-**	**186,318,590**	**62.44%**	**0.00%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32,008,164	3,920	32,012,084	10.77%	34,607,745	3,920	34,611,665	11.60%	1.62%
b) Banks / FI	417,539	2,320	419,859	0.14%	122,710	2,320	125,030	0.04%	-0.10%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies		-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	51,083,223		51,083,223	17.18%	50,637,106		50,637,106	16.97%	-0.21%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Alternate Investment fund	90,595		90,595	0.03%	-		-	0.00%	-0.03%
j) Others	25	-	25	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	**83,599,546**	**6,240**	**83,605,786**	**28.12%**	**85,367,561**	**6,240**	**85,373,801**	**28.61%**	**1.28%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,794,342	8,912	3,803,254	1.28%	2,952,684	8,072	2,960,756	0.99%	0.22%
ii) Overseas	10	0	10	0.00%	10	0	10	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	15,266,513	2,039,637	17,306,150	5.82%	15,194,329	1,781,284	16,975,613	5.69%	-0.21%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,835,436	0	1,835,436	0.62%	2,073,035	0	2,073,035	0.69%	0.07%
c) Others (specify)							-		
Non Resident Indians	2462607	143,995	2,606,602	0.88%	2689673	121,390	2,811,063	0.94%	0.13%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	6,000	-	6,000	0.00%	6,000	0	6,000	0.00%	0.00%
Clearing Members	238,743	0	238,743	0.08%	173,157	0	173,157	0.06%	-0.02%
Trusts	40,795	0	40,795	0.01%	18,480	0	18,480	0.00%	-0.01%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-01-2019]				No. of Shares held at the end of the year [As on 31-12-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
IEPF	1,599,623	-	1,599,623	0.54%	1,673,816	-	1,673,816	0.56%	0.06%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	**25,244,069**	**2,192,544**	**27,436,613**	**9.23%**	**24,781,184**	**1,910,746**	**26,691,930**	**8.95%**	**-0.28%**
Total Public (B)	**108,843,615**	**2,198,784**	**111,042,399**	**37.34%**	**110,148,745**	**1,916,986**	**112,065,731**	**37.56%**	**0.22%**
C. Shares held by Custodian for GDRs & ADRs						-		0.00%	0.00%
Grand Total (A+B+C)	**295,162,205**	**2,198,784**	**297,360,989**	**100.00%**	**296,467,335**	**1,916,986**	**298,384,321**	**100.00%**	

(ii) Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
HT GLOBAL IT SOLUTIONS HOLDINGS LIMITED	186,318,590	62.66%	0	186,318,590	62.44%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% total shares of the Company	No. of shares	% of total shares of the company
At the beginning of the year	186,318,590	62.66						
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year	186,318,590	62.44					186,318,590	62.44

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (01-01-2019)		Shareholding at the end of the year (31-12-2019)	
	Name of Shareholder	No. of Shares	% of the total Shares	No. of Shares	% of the total Shares
1	HDFC TRUSTEE COMPANY LTD	19,274,031	6.48	19,927,531	6.68
2	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	6,662,556	2.23	6,662,556	2.23
3	INVESCO TRUSTEE PRIVATE LIMITED	2,382,673	0.8	4,344,669	1.46
4	SBI MAGNUM MIDCAP FUND	73,717	0.02	3,814,251	1.28
5	NTASIAN EMERGING LEADERS MASTER FUND	2,871,477	0.96	2,871,477	0.96

SN.	For each of the Top 10 shareholders Name of Shareholder	Shareholding at the beginning of the year (01-01-2019)		Shareholding at the end of the year (31-12-2019)	
		No. of Shares	% of the total Shares	No. of Shares	% of the total Shares
6	FRANKLIN INDIA EQUITY SAVINGS FUND	139,500	0.05	2,571,906	0.86
7	PICTET - INDIAN EQUITIES	o	0	2,202,837	0.74
8	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	2,529,585	0.85	2,202,700	0.74
9	RELIANCE CAPITAL TRUSTEE CO LTD	829,500	0.28	1,712,658	0.57
10	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1,599,623	0.54	1,673,816	0.56

The details of datewise increase / decrease in Shareholding of top ten Shareholders is available on Company's website at www.hexaware.com

(v) Shareholding of Directors and Key Managerial Personnel:

SN.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**ATUL KANTILAL NISHAR**						
	At the beginning of the year	01.01.2019		1,000	0.00%	1,000	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2019			0.00%	1,000	0.00%

Key Managerial Personnel

SN.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**R Srikrishna***						
	At the beginning of the year	01.01.2019		5,00,000		5,00,000	0.17%
	Changes during the year	03.01.2019	shares issued on exercise of RSU	1,50,000	0.05%		
	At the end of the year	31.12.2019				6,50,000	0.22%
2	**GUNJAN SUMIT METHI**						
	At the beginning of the year	01.01.2019		7,426	0.00%	7,426	0.00%
	Changes during the year						
	At the end of the year	31.12.2019			0.00%	7,426	0.00%

* No Director or KMP hold Shares of the Company except the Directros and KMP mentioned above

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-

Above does not include borrowings taken by a subsidiary company in the form of term loan of US$ 20 million. During the year the said subsidiary had also borrowed and repaid in full the working capital loan.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ million)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	**R Srikrisna**	
	Designation	**CEO & Executive Director**	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.16	5.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option*	52.33	52.33
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**57.49**	**57.49**
	Ceiling as per the Act		

i. Above does not include remuneration of ₹83.76 million paid by overseas subsidary of the Company

ii. *The Cost computed and amortised over vesting period as per Ind AS 102 Share Based Payment

B. Remuneration to other Directors

(₹ million)

SN.	Particulars of Remuneration	Fee for attending board and committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors				
1	Bharat D Shah	0.30	5.58	-	5.88
	Dileep C Choksi	0.18	5.58	-	5.76
	Basab Pradhan	0.16	3.03	-	3.19
	Christian T Oecking	0.16	3.37	-	3.52
	Meera Shankar	0.30	7.08	-	7.38
	P R Chandrasekar	0.38	7.08	-	7.46
	Total (1)	**1.48**	**31.72**	**-**	**33.20**
2	Other Non-Executive Directors			-	-
	Kosmas Kalliarekos	-	-	-	-
	Jimmy L Mahtani	-	-	-	-
	Atul Kantilal Nishar	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1.48**	**31.72**		**33.20**
	Total Managerial Remuneration	**-**	**-**	**-**	**90.69**
	Overall Ceiling as per the Act [u/s 197(1) (i)]				684.50

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ million)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Vikash Kumar Jain**	**Gunjan Methi**	
	Designation	**CFO**	**CS**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.64	2.41	20.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option**	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**17.64**	**2.41**	**20.05**

**Based on the exercise of stock options.

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties or punishments levied on the Company under the provisions of Companies Act, 2013 and rules made there under during the year. Also, there was no necessity for the Company to compound any offence.

Annexure - 6

The information required u/s 197 of the Act read with rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

	FY 2019
Details of policy relating to the appointment and remuneration for the directors, key managerial personnel and other employees	
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	*Based on annualised cost to company basis (excluding stock option compensation cost)*
R Srikrishna - CEO and Executive Director (excluding remuneration paid by subsidiary company)	8.59
Non-executive directors - Commission (*)	
Bharat D Shah	11.72
Dileep C Choksi	11.72
Basab Pradhan	11.72
Christian T Oecking	11.72
Meera Shankar	11.72
P R Chandrasekar	11.72
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	*Based on annualised cost to company basis (excluding stock option compensation cost)*
R Srikrishna - CEO and Executive Director	11.25%
Non-executive directors - Commission (#)	
Bharat D Shah	0.00%
Dileep C Choksi	0.00%
Basab Pradhan	0.00%
Christian T Oecking	0.00%
Meera Shankar	0.00%
P R Chandrasekar	0.00%
Vikash Kumar Jain, CFO	0.00%
Gunjan Methi, CS	3.60%
(iii) the percentage increase in the median remuneration of employees in the financial year	19.91%
(iv) the number of permanent employees on the rolls of company;	15,879
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in salaries (excluding ESOP/ RSU cost) of employees other than managerial personnel was 6% whereas increase in remuneration to managerial personnel was more than 6% as the salary of managerial personnel has increased after 3 years and also due to reduced performance based pay payout in previous year.
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per policy of the Company

*based on the average currency exchange rate for the year

#determined on the basis of the base currency value as per terms of appointment

For and on behalf of the Board

Date : February 11, 2020
Place: Mumbai

Atul K. Nishar
(Chairman)

Business Responsibility Report

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Section A: General Information about the Company

1. Corporate identity number (CIN) of the Company: L72900MH1992PLC069662
2. Name of the Company: Hexaware Technologies Limited
3. Registered address: 152, Millennium Business Park, Sector III 'A' Block TTC Industrial Area Mahape, Navi Mumbai 400710
4. Website: www.hexaware.com
5. E-mail id: Investori@hexaware.com
6. Financial year reported: January 1, 2019 to December 31, 2019
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

NIC CODE	PRODUCT DESCRIPTION
620	Computer Programming, Consultancy and Related activities

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
   1. Application Development and Management
   2. Enterprise Package Solutions
   3. Business Process Services
   4. Infrastructure management services
   5. Digital Assurance Services
   6. Business intelligence Services and Analytics
9. Total number of locations where business activity is undertaken by the Company:

   There are 30 plus global locations

   i. Number of International Locations (details of major 5): Please refer page no. 213 for Global Presence.

   ii. Number of National Locations: Please refer page no. 213 for National Presence.
10. Markets served by the Company:

    North America, Europe and Asia Pacific

Section B: Financial Details of the Company

₹ in Million

		FY 2019 Standalone	FY 2019 Consolidated
1.	Paid up Capital	596.77	596.77
2.	Total Turnover		
	(a) Revenue from operations	21,409.11	55,825.18
	(b) Exchange rate difference (net)	336.53	192.71
	(c) other Income	28.67	89.38
3.	Profit after tax	5,075.33	6,413.43

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** The Company carries on its CSR activities primarily through Implementation Agencies (I.e Support to various NGO in different projects) and through own initiatives.

The Company has spent ₹99.64 Millions during the Financial Year 2019 on CSR activities. This amounts to more than 2 % of the amount required to be spent on CSR as prescribed by the Companies Act, 2013.

5. List of activities in which expenditure in 4 above has been incurred:-

1. Education and woman Empowerment
2. Environment
3. Health and sanitation
4. Skill development
5. Sports

Please refer page no. 66 of this Annual Report for the detailed report on CSR.

Section C: Other Details

i. Does the Company have any Subsidiary Company/ Companies? – Yes, the Company has 21 Subsidiaries Companies (including step down Subsidiaries) as on 31st December 2019. Please refer the complete list on page 70 & 71 of this Annual Report

ii. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): - Yes, The Company conducts BR initiatives and encourages its subsidiary companies to participate in its group-wide BR initiatives. All subsidiaries participate in BR Initiatives, except small ones which are not operational.

iii. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?– The Company does not mandate its suppliers/ distributors to participate in the Company's BR. However, they are encouraged to adopt such practices and follow the concept of being a responsible business organization. The Company encourages its suppliers / distributors to participate in Company's BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy / policies:

The Board of Directors and Corporate Social Responsibility (CSR) committee of the board is responsible for the implementation of relevant BR Policies.

Details of directors are given under the Corporate Governance Report on page 86 & 87 of this Annual report.

b) Details of the BR head (till December 31, 2019):

Sr.no.	Particulars	Details
1.	DIN Number	06496417
2.	Name	Mrs. Amberin Memon
3.	Designation	Chief People Officer
4.	Telephone no.	022 – 4159 9595
5.	Email id	Investori@hexaware.com

Details of current BR head:

Sr.no.	Particulars	Details
1.	DIN Number	Not Applicable
2.	Name	Dr. Vishwanath Joshi
3.	Designation	Chief People Officer
4.	Telephone no.	022 – 4159 9595
5.	Email id	Investori@hexaware.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

(a) Details of Compliances:

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr.no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Yes	Yes	Yes	Yes	Yes	Yes Note: 7	No Note: 8	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3.	Does the policy conform to any national / international standards?	Note:1	Note:1	Note:1	Note:1	Note:1	Note:1	NA	Note:1	Note:1
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Yes	NA- Note: 6	NA- Note: 6	Yes	NA- Note: 6	Yes	NA	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	NA Note:3	NA Note:3	NA Note:3	NA Note:2	NA Note:3	NA Note:2	NA	NA Note:2	NA Note:3
7.	Has the policy been formally communicated to all relevant internal and External stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes Note: 8	Yes	Yes

Sr.no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes

Note 1:
The policies are framed as per applicable law and as per Industry standards.

Note 2:
It has been Company's practice to upload policies on Company's website for the information of all the stakeholders. The Code of Conduct for Directors, the code of conduct of Independent Directors, the Code of Conduct for senior management, whistle blower policy and CSR Policy are available on the website http://hexaware.com/investors/

Note 3:
The policy is uploaded on intra Company website and access of the same is available to all the employees of the Company.

Note 4:
While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Note 5:
While your Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Note 6:
The Policy is approved by respective department heads of the Company.

Note 7:
Environment protection is one of the thrust area in CSR Policy and Company has taken many initiates during FY 2019 relating to Environment protection.

Note 8:
The Company does not have separate policy for advocacy, however Company participates in various suggestions / comments submitted by trade and industry chambers to respective government departments.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – NOT APPLICABLE

Sr.no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next six months.	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next one year.	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify).	-	-	-	-	-	-	-	-	-

3. **Governance related to BR**

   a) Indicate the frequency with which the Board of Directors, Committee of Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than one year. **Annually**

   b) Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published? The Business Responsibility Report will be uploaded on the company's website **www.hexaware.com annually.**

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

   i. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? Yes

   The Company has an anti-bribery policy in place that governs the ethics and other matters related to bribery and corruption. The mentioned policies are applicable to the employees across all grades including senior executives, and fixed-term or temporary employees like trainees, contractors, retainers etc.

   The Company also has well defined Code of Conduct for all employees, Senior Management and Directors of the Company that covers issues, inter alia, related to ethics, honesty, misconduct etc. The anti-bribery policy and code of conduct of Employees is available on intra website of the Company and easily accessible to all the employees; the code of Conduct of Senior Management and Directors is available on the website of the Company **www.hexaware.com**. The code of conduct of the employees and Senior Management applies to all the employees and Senior Management of Company respectively, including its subsidiaries. It covers dealings with vendors, customers and other business partners.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the reporting year, the Company received following Complaints from Stakeholders:

Sr.no.	Particular	Number of complaints received during the year	Number of Complaints resolved	Percentage of Complaints satisfactorily resolved
1.	Complaints from Shareholder	12	12	100
2.	Complaints from Employees under Sexual harassment	1	1	100
3.	Complaints from Employees under whistle blower	3	3	100

Principle 2:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   The Company offers IT and ITES related services to clients and all our services are fundamentally premised on improving resource efficiency and reducing environmental footprint. Here is a brief of three noteworthy projects in this regard:

   1. **Automation:** Hexaware's Robotic Process Automation enabled BOTs helped a leading Healthcare service provider improve their customer service to ensure claims were processed faster. By automating major areas within claims, the client was able to achieve ROI almost from day 1 of the RPA implementation. Our model continued to open new avenues for automating future processes while making limited changes to the client's existing environment.

   2. **SAP Implementation:** Hexaware streamlined business applications from diverse legacy systems to a unified solution in SAP for one of the largest manufacturers of heavy-duty attachment brands and a part of the South Korean conglomerate. The client was facing complex business scenarios involving diverse legacy systems and migration of age-old master data that was challenging and complicated due to multiple disparate systems.

   3. **Application Transformation Management:** A leading Travel Distribution Company was facing accuracy challenges related to property information from a former partner. Hexaware's digital managed services transformed the client's operation by introducing RPA led automation for capturing, validating & loading of property rates in the client's GDS. We ensure that the updated properties details are available online with timely maintenance of the properties.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

      The Company is entirely Service Company and thus essentially, a non energy intensive organization. Please refer section on the conservation of energy on page 60 of Annual report detailing contribution of the Company towards environment, energy and natural resource conservation.

   b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      The Company has installed additional 523 KW Roof Top solar system in its Siruseri campus in FY 2019 and Company has Roof Top Solar System of 114KW at Mumbai MBP. Power generated in FY 2019 from these systems is 1674058 & 150826 Units respectively.

      This results in avoiding of Green House Gas emission of about 1663 tons of CO2 (Carbon Dioxide). 1526 Tons at Chennai and 137 at MBP.

      Wind energy to the tune of about 8.1 million units are availed in FY 2019 as Captive Power Consumer through 3rd party Private power agency.

      82% of total energy consumed at Chennai campus is fed from Green Power (Wind & Solar).

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

      Yes, the organization has Procurement Policy in place for sustainable sourcing including transportation. The Company discourages discrimination with any vendor on the basis of gender, nationality, ethnicity, religion, disability etc. The company encourages sustainable sourcing and ensures that social and environmental performance extends to our supply chain by sharing our expectations with our vendors from time to time. The Company generally gives preference to local vendors.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? - **Yes**

   The major factors influencing selection of Suppliers are nature of goods and services, quality, Capability, performance & on-time delivery and price. As per procurement process of the Company, purchase manager and head procurement selects the vendors for all purchase request received from various departments. While selecting the vendors, preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations with an objective of creating employment and economic opportunities in local area. The procurement department of the Company give regular feedback to the vendors. The purpose of feedback is to help the vendors to bring in external perspectives on the services rendered, improvement opportunities, quantitative measurement of service levels and compare performance against the previous period. Also regular interaction with the vendors and educating them about the standards of quality required and their importance helps to enhance their approach and understanding of support functions.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Sewage Treatment Plant (STP) treated water about 55,000KL at Chennai and 12000KL at Pune is recycled and reused. The Company undertakes several green campaigns throughout its locations.

   Conventional lights have been replaced with LED based lights, thereby reducing the harmful effects of mercury and reducing the health and environmental concerns. During the year energy efficient LED light fixtures were installed at Chennai campus (Phase-1) in place of conventional fittings & CFL type to save energy, 10,62,470 Units are saved in FY 2019.

Principle 3:

1. Please indicate the Total number of employees – **19,999 including subsidiaries and contract employees**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis **1,710 hired during the year**
3. Please indicate the Number of permanent women employees – **Total women employees were 6,254 including on contract basis comprising of 31% of total work force.**
4. Please indicate the Number of permanent employees with disabilities - **The Company does not discriminate specially-abled people at the time of recruitment. On December 31, 2019, there are around 12 specially-abled employees.**
5. Do you have an employee association that is recognized by management - **No**
6. What percentage of your permanent employees is members of this recognized employee association – **NA**
7. Please indicate the closing head count of Contractors- **4120**

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr.no.	Category	No. of complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1.	Child labor/forced labor/involuntary Labor	NIL	NIL
2.	Sexual harassment	01	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   Permanent Employees, Permanent Women Employees, Casual/Temporary/Contractual Employees, Employees with Disabilities:

   The Company has conducted fire safety drill at various locations wherein all the employees were imparted training on fire evacuation drill, handling of fire extinguishers and methods to evacuate people those who are in need and the company has also organized programs on digestion and medical checkup.

   Please refer section on HexaVarsity on page 53 of Directors report and on Human resources and industrial relations on page 50 of Directors report which provide details of training / re-skilling initiatives of the Company which covers all technical employees including contract employees.

Principle 4:

1. Has the company mapped its internal and external stakeholders? – Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders? – Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Refer the section under CSR initiatives on page 66 of this Annual report detailing work done and impact created for the disadvantaged / vulnerable and marginalized people of the Society.

Principle 5:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

   Policy on Human rights covers all subsidiaries and contractors

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the reporting year, the Company have received following Complaints from Stakeholders:

Sr.no.	Particular	Number of complaints received during the year	Number of Complaints resolved	Percentage of Complaints satisfactorily resolved
1.	Complaints from Shareholders	12	12	100
2.	Complaints from Employees under Sexual harassment	01	01	100

Principle 6:

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.

   Environment protection is one of the key areas of CSR initiatives of the Company. It covers entire group and its contractors.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Hexaware strives to responsible consumption of natural resources. Our endeavour is to make all our future investments confirm to highest energy saving and reduced carbon emission devices. Therefore, to ensure no or minimum wastage/misuse we have implemented the below mentioned mitigation measures:

   - All our campuses are equipped with energy saving devices e.g. lightings, computers, servers, printers and faxes
   - About 450,000 sq. ft. greenery developed around the building - Siruseri campus

- Indoor and Ambient Air quality monitoring is done on monthly basis. CO2 level at inside work area is monitored to ensure pollution free environment.
- Conventional light fittings at Chennai campus is replaced with Energy efficient LED light fixtures by which 1062470 Units are saved.
- Conventional UPS units at Chennai campus is replaced with Modular type UPS Units by which 585523 Units are saved.
- Conventional Light fixtures & UPS units at Mumbai MBP locations is replaced with Energy efficient LED Light fixtures and Modular UPS units by which 744287 Units are saved.
- Chennai campus is Zero-water discharge campus. Rain water harvesting system is installed along the periphery
- E-waste and Hazardous waste were disposed through authorized agencies as per TNPCB norms
- There is a State of the art 220 KLD Sewage Treatment Plant (membrane bio-reactor technology) is installed. The Treated water generated from STP is used for gardening purpose
- All the paper waste generated were recycled through authorized agencies
- Organic waste converter has been installed to process the food waste generated from food court into manure. The manure generated is used for landscaping in the campus
- Gensets are pollution free as certified by Government Pollution Control agencies and the stacks are fixed at the prescribed heights and locations
- Buses transporting employees are emission tested by Government authorities
- Organized way of Vehicle parking and internal traffic control is observed
- EC type blowers installation in place of Conventional Blowers for Comfort Air conditioning Air Handling Units to save energy. Pilot study done with 9 AHU's.

3. Does the company identify and assess potential environmental risks? Y/N

   The Company is well aware regarding environmental risk and have taken various initiatives to reduce the environmental risk.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No,

   As part of CSR initiatives, Hexaware has a self-implement programs related to Clean and Safe Neighborhood which ensures that the community in and around Hexaware's Campus is clean and hygienic and uses environmental friendly technology to reduce the strain on non-renewable energy sources. Hexaware has implemented various initiatives like Steel Dustbins in Millennium Business Park (MBP), changed open drainage to closed ones around Siruseri Campus, laid over HT cable, which was a possible threat to public safety as an underground line, installed 50 solar powered street lamps in the Mumbai and in Chennai, beautified the landscape with plants and trees, stone pitching and barbed fence around the campus of Chennai and Pune, constructed a bus shelter in Siruseri, Chennai and beautified one canal with granite pitching in Chennai SIPCOT.

   In FY 2019 we have done the following initiatives;

   - Laid 11 speed breakers with all traffic signages around the campus of Chennai
   - Planted 200 trees and provided the drip irrigation setup in MIDC water pumping station in Pune
   - Constructed one another bus stop shelter near the back gate of Chennai campus

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

   Refer section on energy conservation on page 60 of Annual report.

   Our campus (office) in Chennai and Pune SEZ are LEED standard compliant

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, these are within the permissible limits.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. –

   The Company has not received any show cause / Legal Notice from CPCB / SPCB during the year

Principle 7:

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of following trade chamber or association:

- International Association of Outsourcing Professionals (IAOP);
- The National Association of Software and Services Companies (NASSCOM) ;
- FICCI
- Confederation of Indian Industry (CII)
- Bombay Chamber of Commerce

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others). Yes

   The Company participates with the industry association's consultation on various aspects like governance and administration, Economic reforms, Development policies (focus on skill buildings and literacy) and Tax and other legislations.

Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company has taken various initiative / projects / Programmes under CSR. The details of CSR activities are given in Annexure 4 of Directors Report.

2. Are the programmes/projects undertaken through in house team/own foundation/external NGO/government structures/ any other organization?

   CSR initiatives are implemented either directly by the Company through its employees or through implementing agency which provide guidance to Company to identify CSR projects and NGOs having an established track record of at least 3 years in carrying on the specific activity.

3. Have you done any impact assessment of your initiative?

   The Company does extensive due diligence of partnering NGO's and monitors and evaluates progress/outcomes during the course of the program through project reports and assessments conducted by Implementing Agencies.

4. What is your company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken?

   Total amount spent on community development projects during Financial Year 2019 thorough CSR was ₹99.64 million. The details of the project undertaking are given under CSR Report on page no. 66 of Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes. The Company ensure that all the community initiatives adopted by the Company under CSR are successfully implemented and benefitted to community. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, periodical reports, field visits, telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   None

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Hexaware is software solution provider hence this question is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. –

   There is no such case against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Customer satisfaction survey is done on period basis to measure the level of satisfaction of customer. An Independent agency conducts the survey. The Company scored 69.9 as against an industry score ranging from 36.8 to 76. Over the last 5 years, there is significant improvement across key business metrics.

Corporate Governance Report - FY 2019

1. Brief Statement on philosophy on Code of Governance:

Our Corporate Governance philosophy reflects our value system which embraces our culture, policies, relationship with various stakholders. It is one of the essential pillars for building an efficient and sustainable environment. Strong leadership and effective corporate governance practices have always been priorities of the Company.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company considers fair and transparent corporate governance as one of its most core management tenets. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company.

The management ensures compliance with corporate governance laws, regulations and policies and the Company is focusing on building business processes and infrastructures that not only ensure compliance but also increase their company's capacity for efficiency, agility, and responsive management. We decisively believe that it is only through good corporate governance practices that we can achieve sustainable growth of the organisation and create long term shareholder value.

There is a separation of the role of Chairman of the Board and the Chief Executive Officer; a practice that has been in place for more than 15 years in the Company. The Company has adopted the Code of Conduct for Board of Directors, Senior Management Personnel, Prevention of Insider Trading code and Whistle Blower Policy. Further, the Company provides detailed disclosures in quarterly financial statements to show where the funds are invested. With the focus on the core corporate governance principles of accountability, transparency and integrity and adoption of suitable global, local and industry best practices, the Company is moving ahead in its pursuit of excellence in corporate governance. The Code of conduct of Board of Directors and senior management personnel are available on the website of the Company at http://hexaware.com/investors/

A report on compliance with the requirements stipulated in Regulations 17 to 27, clause (b) to (i) of the sub regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations'), as applicable, with regard to corporate governance is given below.

2 Board of Directors:

2.1 Composition and category of Directors:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience. The Board comprises of six (6) Directors as on December 31, 2019. Of these, five Directors are Non- Executive and two amongst them are Independent Directors. Mr. Atul K. Nishar is Non-Executive Chairman of the Board.

Independent Directors are non-executive directors as defined under regulation 16 (1) (b) of SEBI Listing Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under SEBI Listing Regulations and Section 149 of the Companies Act, 2013.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management

The composition of the Board of Directors of the Company as on December 31, 2019 is given below:

Name	Designation	Category	Shareholding as on December 31, 2019
Mr. Atul Nishar* (DIN 00307229)	Chairman	Non Independent Non-Executive	1,000
Mr. Jimmy Mahtani (DIN 00996110)	Vice-Chairman	Non Independent Non-Executive	Nil
Mr. R. Srikrishna (DIN 03160121)	CEO & Executive Director	Non-Independent Executive	6,50,000
Mr. Kosmas Kalliarekos (DIN 03642933)	Director	Non-Independent Non-Executive	Nil

Name	Designation	Category	Shareholding as on December 31, 2019
Mr. P. R. Chandrasekar (DIN 02251080)	Director	Independent Non-Executive	Nil
Mrs. Meera Sankar (DIN 06374957)	Director	Independent Non-Executive	NIL

*Shares held by Mr. Atul Nishar's family members are as follows : Dr. (Mrs.) Alka Atul Nishar - Wife 1,000 shares, Mr. Saharsh Parekh – son–in–law 3,43,720 shares and Ms. Priyanka - Daughter 3,15,690 shares.

Note : -

(1) Mr. Basab Pradhan - Independent Director ceased to be a Director w.e.f. June 8, 2019 on completion of Second term as Independent director.

(2) Mr. Christian Oecking - Independent Director ceased to be a Director w.e.f. June 25, 2019 on completion of Second term as Independent director.

(3) Mr. Bharat Shah - Independent Director ceased to be a Director w.e.f. October 16, 2019 on completion of Second term as Independent director.

(4) Mr. Dileep Choksi - Independent Director ceased to be a Director w.e.f. October 16, 2019 on completion of Second term as Independent director.

2.2 Attendance of each Director at the Board Meetings, the last Annual General Meeting and number of other Directorship or committees in which a Director is a member or Chairperson:

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during FY 2019 was as follows : -

Directors	Board meetings held during the tenure of Director	Board meetings attended during the year	Whether attended last AGM	Directorship of other Indian Public Companies	Board Committee Membership/ (Chairmanship)	Directorship of other listed entity (Category of Directorship)
Mr. Atul K. Nishar	10	9	Yes	1	1(1)	NIL
Mr. R. Srikrishna	10	8	Yes	NIL	NIL	NIL
Mr. Jimmy Mahtani	10	7	No	1	2	NIL
Mr. Kosmas Kalliarekos	10	4	No	NIL	NIL	NIL
Mr. P. R. Chandrasekar	10	6	Yes	NIL	2(1)	NIL
Mrs. Meera Shankar	10	6	Yes	3	2	1. ITC Ltd. (Independent, Non Executive) 2. Pidilite Industries Ltd. (Independent, Non Executive) 3. Adani Transmission Ltd. (Independent, Non Executive)

Notes:

1. None of the Directors of the Company hold membership of more than ten Committees nor is a Chairperson of more than five committees (as specified in regulation 26), across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at December 31, 2019 have been made by the Directors.
2. The committees considered for the above purpose are those as specified in regulation 26 of SEBI Listing Regulations, 2015 i.e. Audit Committee and Stakeholders Relationship Committee.
3. Video Conferencing facilities are also used to facilitate directors who are travelling / residing abroad or at other locations to participate in the meetings and are counted for the purpose of attendance.

2.3 Number of meetings of the Board of Directors held and dates of the Board Meeting held:

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed one hundred and twenty days. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board. All the departments in the Company communicate to the Company Secretary well in advance, matters requiring approval of the Board / Committees of the Board to enable inclusion of the same in the agenda for the Board / Committee meeting(s). The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments. Pursuant to Secretarial Standard, draft minutes and signed minutes of the previous Meeting are circulated within the prescribed time. Action taken report arising out of previous meeting is placed at the succeeding meeting of the Board / Committee.

During the year, ten Board Meetings were held respectively on January 30, 2019, March 12, 2019, April 24, 2019, May 20, 2019, June 12, 2019, June 13, 2019, July 13, 2019, August 08, 2019, October 23, 2019 and December 19, 2019.

The necessary quorum was present for all the meetings.

During FY 2019, information as mentioned in Schedule II as per regulation 17 (7) of SEBI Listing Regulations, 2015 has been placed before the board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at http://hexaware.com/investors/

During the year a separate meeting of the Independent Directors was held on December 19, 2019 to review the performance of Non-Independent Directors, Chairperson and the Board as a whole.

The Board periodically reviews compliance reports of all laws applicable to the Company.

2.4 Relationship between the Directors inter-se:

The Board comprises of combination of Independent, Non-Executive and Executive Director. None of the Directors have any relationship with other Directors. Mr. Kosmas Kalliarekos and Mr. Jimmy Mahtani are representatives of Holding Company i.e. HT GLOBAL IT SOLUTIONS HOLDINGS LIMITED.

2.5 Number of shares and convertible instruments held by Non-Executive Directors:

The details of shares held by the Non-Executive Directors are already given under 2.1 above. The Company has not issued any type of Convertible instruments to Non-Executive Directors.

2.6 Familiarization programme of Independent Director of the Company:

In order to enable the Directors to fulfil the governance role, comprehensive presentations are made on business updates, business models, risk minimization procedures, new initiatives by the Company. Changes in domestic/overseas industry scenario including their effect on the Company, statutory matters are also presented to the Directors during the Board Meetings. The Board Meetings are generally conducted for 6 to 8 hours and Board Meetings were held on January 30, 2019, March 12, 2019, April 24, 2019, May 20, 2019, June 12, 2019, June 13, 2019, July 13, 2019, August 08, 2019, October 23, 2019 and December 19, 2019. The familiarization programmes of Independent Directors of the Company is available on the website of the Company at the following link http:// hexaware.com/ investors/

2.7 The Board identified the following skills/expertise/competencies fundamentals for effective functioning of the Company which are currently available with the Board :

Wide management and leadership experience	Wide management and leadership experience including in areas of strategic planning, business development, mergers and acquisitions etc. focusing on strong business development both organic and in-organic way.
Technology	Experience in information technology business, technology consulting and operations, emerging areas of technology, technical background to understand future technological trends and to focus on innovations and develop new business model.
Corporate governance	Experience in developing governance practices, serving the best interest of all stakeholders, effective long term stakeholders engagement, developing and maintaining high corporate values and ethics.
Global business	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Personal values and integrity	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards. Board has gender, age and ethnic diversity, which leads to better Board outcomes.

3 Audit Committee:

The Audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and is in line with SEBI Listing Regulations, 2015.

The primary objective of the committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors, the safeguards employed by each of them.

The Company has framed the mandate and working procedures of the Audit committee as required under SEBI Listing Regulations, 2015 defining therein the Role, Membership, powers, meeting procedures etc.

3.1 Composition, name of Members and Chairman:

During the year the Audit Committee of the Company comprised of the following members: Mr. Dileep Choksi (Chairman), Mrs. Meera Shankar, Mr. Jimmy Mahtani, Mr. Christian Oecking and Mr. P R Chandrasekar, all being Non-Executive Directors and four of them being Independent Directors. The Committee was reconstituted upon the retirement of Mr. Christian Oecking and Mr. Dileep Choksi.

The Audit Committee of the Company as on December 31, 2019 comprised of the following members: Mr. P R Chandrasekar (Chairman), Mrs. Meera Shankar, Mr. Jimmy Mahtani all being Non-Executive Directors and two of them being Independent Directors.

All members of the Audit Committee have accounting and financial management knowledge.

The Chief Financial Officer, the Partner / Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. The Company Secretary of the Company acts as the secretary to the Committee.

During the year, the Audit Committee met five times respectively on January 30, 2019, April 23, 2019, August 08, 2019, October 23, 2019 and December 19, 2019. The necessary quorum was present at the meetings.

Mr. Dileep Choksi, the then Chairman of Audit Committee had attended the Annual General Meeting held on April 23, 2019 and answered the queries raised by the shareholders.

The attendance record of the members is as per the table given in point 3.3

3.2 Broad terms of reference:

The terms of reference of the Audit Committee are as follows:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Modified opinion (s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of Chief Financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.3 Meetings and Attendance during FY 2019:

Name of the Director	Category	No. of meetings held during the tenure	Meetings Attended
Mr. Dileep Choksi – Chairman (Till October 16, 2019)	Independent	3	2
Mr. P R Chandrasekar - Chairman	Independent	5	5
Mrs. Meera Shankar	Independent	5	4
Mr. Jimmy Mahtani	Non-Independent	5	4
Mr. Christian Oecking (Till June 25, 2019)	Independent	2	2

4 Nomination and Remuneration Committee:

4.1 Brief description and terms of reference:

The Company has framed the mandate and working procedures of the committee as required under Section 178 of Companies Act, 2013 defining therein the Role, Membership, meeting procedures etc. as per SEBI Listing Regulations.

Pursuant to the regulation 19(4) read with part D of Schedule II of SEBI Listing Regulations the role of the Nomination & Remuneration Committee shall include the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

(2) Formulation of criteria for evaluation of performance of Independent Directors and the board of directors.

(3) Devising a policy on diversity of board of directors.

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

(6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

4.2 Composition, name of members and chairperson:

The Nomination and Remuneration Committee of the Company during the year comprised of the following members: Mr. Basab Pradhan (Chairman), Mr. Kosmas Kalliarekos, Mr. Jimmy Mahtani, Mr. Christian Oecking and Mr. Bharat Shah, all being Non-Executive Directors and majority being Independent Directors.

Mr. Basab Pradhan, Mr. Christian Oecking and Mr. Bharat Shah ceased to be member of the Committee on completion of their Second term as Independent Director. Consequently the Committee was reconstituted.

The Nomination and Remuneration Committee of the Company as at December 31, 2019 comprised of the following members:

Mrs. Meera Shankar – Chairperson, Mr. P R Chandrasekar, Mr. Kosmas Kalliarekos and Mr. Jimmy Mahtani.

4.3 Meeting and attendance during FY 2019:

During the year, the Nomination & Remuneration Committee met 6 (six) times that is on January 30, 2019, April 24, 2019, July 13, 2019, August 08, 2019, October 23, 2019, and December 19, 2019. Necessary quorum was present at the meeting. The attendance record is as per the table given below:

Name of the Director	Category	No. of meetings held during the tenure	Attended
Mr. Basab Pradhan – Chairman (Till June 8, 2019)	Independent	2	2
Mr. Kosmas Kalliarekos	Non-Independent	6	3
Mr. Jimmy Mahtani	Non-Independent	6	6
Mr. Christian Oecking (Till June 25, 2019)	Independent	2	2
Mr. Bharat Shah (Till October 16, 2019)	Independent	4	4
Mrs. Meera Shankar – Chairperson (Member From July 13, 2019)	Independent	3	2
Mr. P. R Chandrasekar (Member From July 13, 2019)	Independent	3	3

4.4 Performance evaluation criteria:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Regulation 17(10) of SEBI listing regulations states that, the evaluation of independent directors shall be done by the entire board of directors which shall include -

(a) performance of the directors; and

(b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

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

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

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

The performance of Independent Director was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as Independence, effectiveness performance, information and functioning, etc.

In a separate meeting of Independent Directors held on December 19, 2019, performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

5 Remuneration of Directors:

5.1 Remuneration Policy:

The Company has adopted and implemented the provisions of Section 178 of the Companies Act, 2013 on the requirement of the Nomination & Remuneration Committee to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The remuneration payable to Executive Director and Chief Executive Officer shall be arrived after taking into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management person will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The compensation may include Employee Stock Options or other similar equity instruments as may be approved by the Committee.

Non-Executive Directors of the Company shall be paid a sitting fee for attending meetings of the Board and Committees. The Non Executive Directors are also paid commission upto an aggregate amount not exceeding 1% of the net profits of the Company for the relevant financial year subject to shareholders approval.

5.2 Details of pecuniary relationship or transactions of the Non- Executive Directors with the Company during FY 2019:

Sr. No.	Name of Director	Commission (₹ in Million)	Sitting Fees (₹ in Million)	ESOP
1.	Mr. Atul Nishar	NIL	NIL	NIL
2.	Mr. Jimmy Mahtani	NIL	NIL	NIL
3.	Mr. Kosmas Kalliarekos	NIL	NIL	NIL
4.	Mr. P. R. Chandrasekar	7.08	0.38	NIL
5.	Mr. Bharat Shah	5.58	0.30	NIL
6.	Mr. Basab Pradhan	3.03	0.16	NIL
7.	Mr. Christian Oecking	3.37	0.16	NIL
8.	Mrs. Meera Shankar	7.08	0.30	NIL
9.	Mr. Dileep Choksi	5.58	0.18	NIL

5.3 Criteria of making payments to Non-Executive Directors:

The Company pays sitting fees of (a) ₹20,000/- per meeting to its Independent Directors for attending meetings of the Board and (b) ₹20,000/- per meeting for attending meetings of Committees of the Board.

For FY 2019 payment of commission was made to the Independent Directors Mr. Bharat Shah, Mr. Dileep Choksi, Mr. Basab Pradhan, Mr. Christian Oecking, Mrs. Meera Shankar and Mr. P R Chandrasekar based on their terms of appointment on proportionate basis. The Company also reimburses the out-of- pocket expenses incurred by the Directors for attending meetings.

No payment by way of bonus, pension, incentives, stock options etc. was made to Non-Executive Directors.

5.4 Disclosure with respect to remuneration of Mr. R Srikrishna, CEO & Executive Director:

₹ in Million

Particulars	
Salary and allowance	5.16
Benefits*	52.33
Bonus	------
Pension	------
Fixed Components	------
Performance linked incentives	------
Severance fees	------
Total	57.49
Notice Period	90 days

*Note :

i. Above does not include remuneration of ₹83.76 million paid by overseas subsidiary of the Company to Mr. R Srikrishna.

ii. Cost computed as per Ind AS 102 Share Based Payments and amortised over vesting period.

On October 23, 2019, 153,846 Restricted Stock Units (RSUs) were granted at a price of ₹2/- to Mr. R Srikrishna, CEO & Executive Director under the Employee Stock Option Scheme 2015 exercisable into equal number of equity shares of the company, which shall vest after one year.

6 Stakeholders Relationship Committee:

This Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and the SEBI listing regulations. The Stakeholders Relationship Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc. The scope of committee includes the following:

- Resolving investor's complaints and strengthening of investor relations
- Monitoring and reviewing service functioning of Registrar and Transfer Agents
- Review process of share transfers, non-receipt of annual reports, Dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

Shareholders Services:

For the purpose of facilitating the shareholders, the Company has posted on its website detailed services for the Shareholders which contain information on the following:

a) Procedure for Dematerialization of shares;
b) Procedure for transmission of shares;
c) Change of address;
d) Dividend;
e) Nomination Facility;
f) Loss of Share Certificates;
g) Rights as a Shareholder;
h) Registrar / Share Transfer Agent;
i) Details of Compliance officer / Designed official responsible for assisting and handling investor grievances;
j) Contact details of Key Managerial Personnel authorized to determine the materiality of an event or information;
k) Investor Education and Protection Fund details;
l) Details of Nodal Officer

6.1 Composition, meeting and attendance of the Committee meetings:

The Stakeholders Relationship Committee of the Company as at December 31, 2019 comprised of the following members: Mr. Atul Nishar (Chairman), Mr. Jimmy Mahtani, Mr. P R Chandrasekar all three being Non-Executive Directors and one of them being Independent Director.

Mr. Basab Pradhan, Mr. Dileep Choksi ceased to be member of the Committee on completion of their Second term as Independent Director.

During the year, the Stakeholders Relationship Committee met 2 (two) times that is on January 30, 2019 and April 24, 2019.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of the Director	Category	No. of meetings held during the tenure of Director	Attended
Mr. Atul Nishar - Chairman	Non - Independent	2	2
Mr. Basab Pradhan (till June 8, 2019)	Independent	2	2
Mr. Dileep Choksi (till October 16, 2019)	Independent	2	1
Mr. P R Chandrasekar	Independent	2	2
Mr. Jimmy Mahtani (inducted w.e.f. Dec 19, 2019)	Independent	NIL	NIL

6.2 Name and designation of Compliance officer and Nodal Officer for IEPF Compliances:

Name of the Company Secretary and the Compliance Officer, Nodal Officer for IEPF Compliances	Mrs. Gunjan Methi
Address	Building No. 152, Millennium Business Park, Sector III, "A" Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
Contact telephone	+91 22 6791 9595
E-mail	gunjanm@hexaware.com

6.3 Summary of Shareholders Complaints:

Number of Complaints received	12
Number of Complaints not solved to the satisfaction of Shareholders	NIL
Number of Pending Complaints	NIL

7 CSR Committee:

The Corporate Social Responsibility Committee of the Company as on December 31, 2019 comprised of the following members: Mrs. Meera Shankar (Chairperson), Mr. Atul Nishar, and Mr. Jimmy Mahtani all being Non-Executive Directors and Chairperson being Independent Director. Mr. Bharat Shah (Chairman) and Mr. Christian Oecking ceased to be member of the committee on the expiry of their second term of Independent Directorship.

The scope of the committee is to :

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The committee oversees the CSR activities and execution of initiatives approved by the Board. The CSR policy of the Company is available on our website http://hexaware.com/investors/

Meeting and attendance during FY 2019:

During the year, the Corporate Social Responsibility Committee met 3 (Three) times that is on January 30, 2019, April 24, 2019, and August 08, 2019.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of the Director	Category	No. of meetings held during the tenure of Director	Attended
Mr. Bharat Shah – Chairman (till October 16, 2019)	Independent	3	3
Mr. Atul Nishar	Non-Independent	3	3
Mr. Christian Oecking (till June 25, 2019)	Independent	2	2
Mrs. Meera Shankar – Chairperson from December 19, 2019	Independent	3	2
Mr. Jimmy Mahtani (from December 19, 2019)	Non-Independent	0	0

8 Strategy and Risk Committee:

The Strategy and Risk Committee of the Company as on December 31, 2019 comprised of the following members: Mr. Atul Nishar (Chairman), Mr. Jimmy Mahtani, Mr. Kosmas Kalliarekos, Mr. P R Chandrasekar all being Non-Executive Directors. Mr. Basab Pradhan and Mr. Bharat Shah ceased to be member of the committee on completion of their second term as Independent Director.

The Strategy and Risk Committee is constituted for reviewing the strategic plan for the Company and identifying potential business and operational risks.

During the year, the Strategy and Risk Committee met 2 (Two) times that is on January 30, 2019 and April 24, 2019.

Necessary quorum was present at the meeting.

The attendance record is as per the table given below:

Name of the Director	Category	No. of meetings held during the tenure of Director	Attended
Mr. Atul Nishar – Chairman	Non-Independent	2	2
Mr. Jimmy Mahtani	Non-Independent	2	2
Mr. Kosmas Kalliarekos	Non-Independent	2	2
Mr. P R Chandrasekar	Independent	2	2
Mr. Bharat Shah (till October 16, 2019)	Independent	2	2
Mr. Basab Pradhan (till June 8, 2019)	Independent	2	2

9 Other Committees:

There are no Committees other than Five Committees mentioned above.

10 Risk Management:

The Company has well defined Enterprise Risk Management (ERM) framework in place. The primary objective of ERM function is to implement a framework that augments risk response decisions and reduce surprises. ERM programme involves risk identification, assessment and risk mitigation planning for strategic, operational, financial and compliance related risks across various levels of the organization.

The Board of Directors and senior management team assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

Detailed note on Risk Management is given in the Management Discussion and Analysis Report.

11 General Body Meetings:

11.1 Location, date and time where the last three Annual General Meetings were held:

Financial year	General Meeting	Location	Date	Time	Particulars of special resolution passed
2018	26th Annual General Meeting	Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	Tuesday, April 23, 2019.	3:30 p.m.	1. Re-appointment of Mr. P R Chandrasekar as a Non- Executive Independent Director 2. Adoption of New Articles of Association
2017	25th Annual General Meeting	4th Floor, Rangswar, Auditorium, Yeshwantrao Chavan Centre, General Jagannath Bhosale Marg, Near Mantralaya, Mumbai – 400 021.	Thursday, May 3, 2018	3:00 p.m.	1. Re-appointment of Mrs. Meera Shankar as a Non- Executive Independent Director
2016	24th Annual General Meeting	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/ Kala Ghoda, Mumbai - 400 001	Monday, April 24, 2017	4:00 p.m.	1. Re-appointment of Mr. Bharat Shah as a Non- Executive Independent Director 2. Re-appointment of Mr. Dileep Choksi as Non- Executive Independent director

All special resolutions set out in the notices for the AGMs were passed by the shareholders at the respective meetings with requisite majority.

11.2 Location, date and time where the last Extra Ordinary General Meeting held:

Details of National Company Law Tribunal (NCLT) convened Meeting of the Equity Shareholders of Hexaware Technologies Limited:

Financial year	Location	Date	Time	Particulars of special resolution passed
2017	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/ Kala Ghoda, Mumbai - 400 001	Monday, April 24, 2017	3:00 p.m.	Approval of Scheme of Amalgamation of Risk Technology International Limited with Hexaware Technologies Limited and their respective Shareholders

Resolution set out in the notice of the NCLT convened Meeting of Shareholders of Hexaware Technologies Limited was passed by the shareholders with requisite majority.

11.3 Postal Ballot:

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), the Company passed the Ordinary Resolution for re-appointment of Mr. R Srikrishna as Whole Time Director for a period of five years w.e.f. July 28, 2019 till July 27, 2024 by postal ballot, the details of voting are given below:

Particulars	Number of Valid			Number of Votes contained in			Percentage (%)
	Remote e-Votes	Postal Ballot Forms	Total	Remote e-Votes	Postal Ballot Forms	Total	
Assent	535	84	619	25,93,08,594	23,952	25,93,32,546	99.95
Dissent	27	8	35	1,29,879	236	1,30,115	0.05
Total	562	92	654	25,94,38,473	24,188	25,94,62,661	100

M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The members were given the option to vote either by physical ballot or through e-voting. The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the Register of Members / list of beneficiaries as on cut-off date. The postal ballot notice was sent to members in electronic form to the email addresses registered with the depository participants / Company's Registrar & Share Transfer Agents. The Company also published notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights were reckoned on the paid up value of shares of the Company in the names of the shareholders as on the cut - off date. Members desiring to vote through physical ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting.

On the basis of the Report of the Scrutinizer, M/s. S N ANANTHASUBRAMANIAN & CO., Practicing Company Secretaries, Mr. R Srikrishna, CEO and Executive Director, on behalf of Board declared the result of Postal Ballot and announced that the Ordinary Resolution as specified in the Postal Ballot Notice was duly passed by the requisite majority. The result of postal ballot was displayed on the website of the Company (www.hexaware.com), besides being communicated to the Stock Exchanges and Registrar & Share Transfer Agents. The date of declaration of results of Postal Ballot was the date on which the resolution was deemed to have been passed, approved by requisite majority.

No Special resolution was passed last year through postal ballot.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot

12 A certificate has been received from Makarand M. Joshi & Co., practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate affairs or any such statutory authority.

13 Means of Communication:

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

(a) The quarterly, half yearly and Annual Results were published in Business Standard in English and Navshakti in Marathi. Other communications were published in Business Standard and Navshakti in Marathi.

(b) The Company's audited financial results, press releases and the presentations made to institutional investors and analyst and other intimations to Stock Exchanges are posted on the Company's website - www.hexaware.com and websites of BSE and NSE viz. www.bseindia.com and www.nseindia.com

14 General Shareholder information:

14.1 Twenty Seventh Annual General Meeting:

Date#	21st April, 2020
Time	3:30 pm
Venue	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/ Kala Ghoda, Mumbai - 400 001.

14.2 Financial Calendar for FY 2019:

Financial year	January 01, 2019 to December 31, 2019
Dividend Payment	1st Interim Dividend was paid on May 13, 2019 @ ₹2.50 per share (125%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. 2nd Interim Dividend was paid on August 27, 2019 @ ₹1.50 per share (75%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. 3rd Interim Dividend was paid on November 8, 2019 @ ₹2.00/-per share (100%) which may be confirmed by the shareholders at the ensuing Annual General Meeting.
Listing on Stock Exchanges	1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company confirms that Annual listing fees for each of Stock Exchange where Shares of the Company are listed have been paid.

14.3 Financial reporting for the quarter ending (tentative and subject to change)

March 31, 2020	By May 15, 2020
June 30, 2020	By August 14, 2020
September 30, 2020	By November 15, 2020
December 31, 2020	By March 1, 2021
Annual General Meeting for the year ending December 31, 2020	On or before June 30, 2021

14.4 Scrip Information:

Name of the Exchange	Code	Reuters	Bloomberg
BSE Ltd.	532129	HEXT.BO	HEXW:IN
National Stock Exchange of India Limited	"HEXAWARE"	HEXT.NS	
ISIN Demat	INE093A01033		

Corporate Identification number of the Company (CIN): L72900MH1992PLC069662

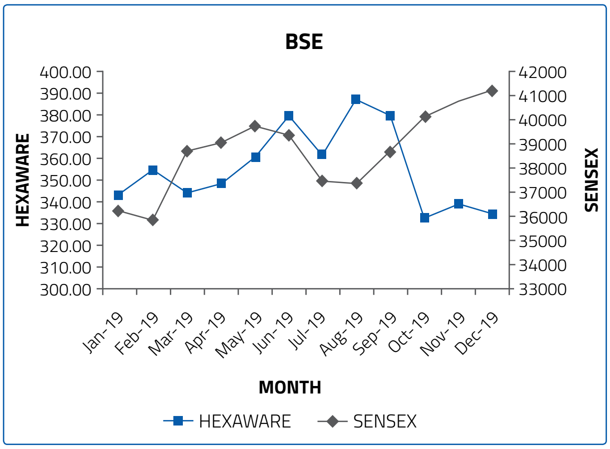
The revised date of 27th Annual General Meeting is July 04, 2020

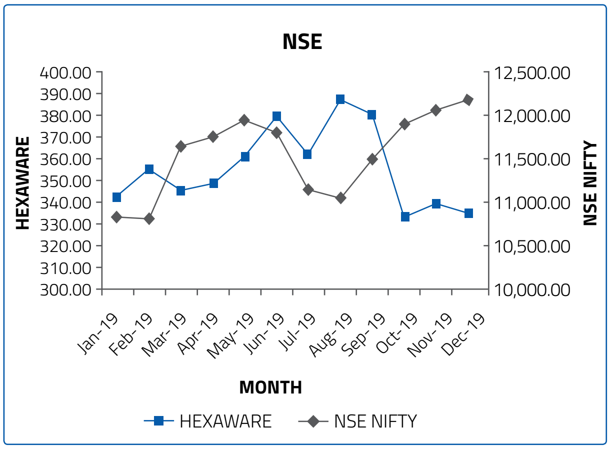
14.5 Stock Market Data:

The high / low of the shares of the Company from January 2019 to December 2019 is given below :

Month	BSE (₹)		NSE (₹)	
	High	**Low**	**High**	**Low**
January'19	347.50	312.00	347.75	312.20
February'19	375.00	339.50	372.00	339.20
March'19	365.00	325.05	364.05	325.00
April'19	373.00	326.90	373.90	326.85
May'19	371.75	332.85	372.20	332.60
June'19	439.00	338.80	455.70	338.60
July'19	389.70	345.00	389.65	347.55
August'19	398.95	338.90	399.00	339.05
September'19	395.45	360.00	395.55	359.80
October'19	384.65	323.65	385.00	323.20
November'19	349.95	327.80	349.35	327.20
December'19	346.20	320.20	346.40	320.00

14.6 Stock Performance:





14.7 Registrar and Share Transfer Agent:

In order to attain speedy processing and disposal of share transfers and other allied matters, the Board has appointed M/s. KFin Technologies Private Limited as the Registrar and Share Transfer Agent of the Company. Their complete postal address is as follows:

KFin Technologies Private Limited **Unit: Hexaware Technologies Limited** **Corporate office:**	**Investor Relation Centre:**
Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Hyderabad - 500 032 Contact details: Tel.No.: +91 40 67162222 Fax number : +91 40 23420814 Email: einward.ris@kfintech.com Website: www.kfintech.com	24 B, Rajabahadur Mansion, Ground Floor, Amabalal Doshi Marg, Fort, Mumbai - 400 023. Tel: 022 66235454 Email : einward.ris@kfintech.com Website: www.kfintech.com

14.8 Share Transfer system:

The trading in Equity Shares of the Company is permitted only in dematerialized form.

The Registrar and Share Transfer Agent usually approve transfer of shares every week. Pursuant to Press Release 12/2019 dated May 27, 2019 of Securities and Exchange Board of India, the last date for transfer of shares in physical form was March 31, 2019.

14.9 Distribution of Shareholding:

As on December 31, 2019

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
1 - 500	78272	92.96	8501555	2.85
501 - 1000	3478	4.13	2596086	0.87
1001 - 2000	1311	1.56	1946676	0.65
2001 - 3000	307	0.36	777652	0.26
3001 - 4000	175	0.21	630474	0.21
4001 - 5000	96	0.11	448098	0.15
5001 - 10000	195	0.23	1465661	0.49
10001 & above	364	0.43	282018119	94.52
TOTAL	**84198**	**100.00**	**298384321**	**100.00**

14.10 Categories of Shareholding (as on December 31, 2019):

Sr. No.	Category of Holder	No. of Shares	% of Equity
1.	Promoters Holdings	186,318,590	62.44
2.	Mutual funds/ UTI	34,611,665	11.60
3.	Banks/ Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	2,424,645	0.82
4.	FIIs/ FPI	50,637,106	16.97
5.	Others:		
	- Private Corporate Bodies	659,691	0.22
	- Indian Public	20,722,464	6.94
	- NRIs / Foreign Nationals / OCBs	2,817,073	0.94
	- Trust	18,480	0.01
	- NBFCs	1,450	0.00
	- Clearing Members	173,157	0.06
	Sub Total	**24,392,315**	**8.17**
	TOTAL	**298,384,321**	**100.00**

Pledge of Shares: The promoters have not pledged their shareholding in Hexaware as on December 31, 2019.

14.11 Dematerialization of Shares and liquidity:

Procedure for dematerialization of shares:

Shareholders seeking demat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder. 99.35 % of the issued capital of your Company has been dematerialized up to December 31, 2019.

Go Green initiative:

Pursuant to Section 101 of Companies Act, 2013 read with rules made thereunder, the Company is allowed to send documents such as the Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc. to the members in electronic form at the email address provided by the members and made available to the Company by the Depository/ Registrar & Share Transfer Agent (RTA). Shareholders are requested to register their e-mail id with RTA / Depository to enable the Company to send the documents in electronic form.

14.12 Outstanding GDR / Warrants and Convertible bonds, conversion date and likely impact on the equity:

1. No outstanding GDRs as on December 31, 2019.
2. Warrants / Options:

   Total number of Restricted Stock Units outstanding under the ESOP 2008 and 2015 Schemes are 7,824,439. These RSU holders are entitled to get allotted one Equity Share of ₹2/- each at a exercise price of ₹2/-. The RSUs shall vest based on performance parameters as decided by the Committee.

   Assuming all the Options granted, under the ESOP Schemes of the Company, which, would vest, be exercised and converted into Equity shares of the Company, the total number of Equity shares would increase by 7,824,439 of ₹2/- each.

14.13 Commodity price risk or Foreign exchange risk and hedging activities:

Details of Foreign Exchange Risk and hedging activities are given in the Management discussion and Analysis Report.

14.14 Plant Locations (Hexaware Technologies Limited, India) :

Registered Office & Offshore Development Center	152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Offshore Development Center	1, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Offshore Development Center	Unit No. I, Block No.01, Q1, 9th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No.Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Offshore Development Center	Unit No. I, Block No.01, Q1, 6th and 7th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No.Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Offshore Development Center	Unit – 1, Ground Floor, 2nd Floor And Amenity Area of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Unit – 2, 1st Floor And Amenity Area of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Unit – 3, 3rd Floor of North Wing, Risk Technologies International Limited, MIDC-SEZ, Plot No. 19, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune – 411 057.	Pune
Offshore Development Center	Plot No.19, Rajiv Gandhi Infotech Park, Phase-III, MIDC-SEZ, Hinjewadi 411 057 (SEZ), Pune.	Pune
Offshore Development Center	SIPCOT IT Park, Navalur Post, Siruseri - 603 103.	Chennai
Offshore Development Center	11th Floor, Crescent – 2, Prestige Shanthiniketan ITPL Main Road, Bengaluru – 560 048.	Bengaluru
Hexaware BPS :	Bldg. No 3, Sector - II, Millennium Business Park, A Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai
Hexaware BPS :	157, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.	Navi Mumbai

Hexaware BPS	Unit No.8, Block No.01, Q1, 8th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No.Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Hexaware BPS :	Unit No.2, Block No.01, Q1, 6th & 7th Floor, M/s. Loma Co-Developers 1 Pvt Ltd, Plot No.Gen-4/1, TTC Industrial Area, Thane-Belapur Road, Ghansoli, Navi Mumbai 400 710.	Navi Mumbai
Hexaware BPS :	A-703 & B704, 7th Floor, The Qube, Situated at C.T.S No. 1498 A/2 MV Road, Marol Andheri East, Mumbai – 400 059.	Mumbai
Hexaware BPS :	Lower Ground floor and Ground floor, South block, Phase III, Hinjewadi, Rajiv Gandhi Infotech Park, Pune 411 057.	Pune
Hexaware BPS :	Survey no (Part) 38, 39,41,42 and 43 in village Khapri & Dahegoan, MIHAN, SEZ - MADC, Nagpur - 441 108, Maharashtra.	Nagpur
Hexaware BPS :	IG-3 Infra Ltd – SEZ, Chennai – Module 5, IT Park, Pallavaram – Thoraipakkam, 200 Ft Rd., Thoraipakkam, Chennai – 600 097. Tamilnadu.	Chennai
Hexaware BPS :	IG-3 Infra Ltd – SEZ, Chennai – 1, Module 6, IT Park, Pallavaram – Thoraipakkam, 200 Ft Rd., Thoraipakkam, Chennai – 600 097. Tamilnadu.	Chennai
Hexaware BPS :	Prince Infocity II, 2nd floor, No.283/3A, 283/4A & 283 /4B, No.141, Kottivakkam Village, Kandanchavadi, Chennai - 600 096. Tamilnadu.	Chennai
Hexaware BPS :	Prince Infocity II, 2nd floor, No.283/3A, 283/4A & 283 /4B, No.141, Kottivakkam Village, Kandanchavadi, Chennai - 600 096. Tamilnadu.	Coimbatore

14.15 Company has not obtained any credit rating during FY 2019.

14.16 Transfer of unclaimed dividend to Investor Education and Protection Fund:

Pursuant to the provisions of Companies Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government under the provisions of the Companies Act. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date. A sum of ₹2,04,38,302/- has been transferred to the Investor Education and Protection Fund in FY 2019 towards unclaimed/ unpaid dividend for the year 2011 and 2012.

There are no amount due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2019 and the Company is in compliance with the IEPF rules. During the year, banker with whom the Company maintained dividend account for the dividend declared for the year 2011 reported that the amount of ₹390,643 is lying with them representing unpresented demand drafts. As a result, the Company has transferred the said amount to IEPF during the year ended December 31, 2019.

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on our website: www.hexaware.com

During the Year 75,663 Shares were transferred to IEPF Account with NSDL. The Company has set aside unclaimed and unpaid Dividend amount of shareholders in a separate bank account that could not be transferred to Investor Education and Protection Fund (IEPF) pursuant to restraining order of court or Tribunal or any other Statutory Authority pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Given below are the dates of declaration of dividend, corresponding last date for claiming unclaimed dividends and the same is due for transfer to IEPF on next day.

Date of declaration of dividend	Dividend for the year	Last date for Claiming unpaid Dividend
April 29, 2013 (Q1 Interim)	2013	June 4, 2020
April 30, 2013 (Final)	2012	June 5, 2020
July 19, 2013 (Q2 Interim)	2013	August 24, 2020
February 7, 2014 (Q4 Interim)	2013	March 15, 2021
April 25, 2014 (Final - 2013)	2013	May 31, 2021
April 29, 2014 (Q1 Interim - 2014)	2014	June 04, 2021
July 22, 2014 (Q2 Interim - 2014)	2014	August 27, 2021
Nov. 05, 2014 (Q3 Interim - 2014)	2014	December 11, 2021
February 10, 2015 (Q4 Interim - 2014)	2014	March 18, 2022
April 29, 2015 (Q1 Interim - 2015)	2015	June 4, 2022
August 4, 2015 (Q2 Interim - 2015)	2015	September 9, 2022
November 3, 2015 (Q3 Interim - 2015)	2015	December 9, 2022
February 3, 2016 (Q4 Interim - 2015)	2015	March 11, 2023
May 4, 2016 (Q1 Interim - 2016)	2016	June 10, 2023
July 28, 2016 (Q2 Interim- 2016)	2016	September 02, 2023
October 25, 2016 (Q3 Interim - 2016)	2016	November 30, 2023
February 7, 2017 (Q4 Interim - 2016)	2016	March 14, 2024
April 24, 2017 (Q1 Interim – 2017)	2017	May 29, 2024
July 31, 2017 (Q2 Interim – 2017)	2017	September 4, 2024
November 01, 2017 (Q3 Interim–2017)	2017	December 6, 2024
February 07, 2018 (Q4 Interim–2017)	2017	March 14, 2025
May 3, 2018 (Q1 Interim – 2018)	2018	June 7, 2025
July 24, 2018 (Q2 Interim – 2018)	2018	August 28, 2025
October 24, 2018 (Q3 Interim – 2018)	2018	November 28, 2025
January 30, 2019 (Q4 Interim – 2018)	2018	March 6, 2026
April 24, 2019 (Q1 Interim -2019)	2019	May 29, 2026
August 8, 2019 (Q2 Interim – 2019)	2019	September 12, 2026
October 23, 2019(Q3 Interim – 2019)	2019	November 27, 2026

14.17 Investor Correspondence:

Shareholders can contact the following officials for secretarial matters of the Company:

Name	E-Mail ID	Telephone Number
Gunjan Methi, Company Secretary	Investori@hexaware.com	+ 91 22 6791 9595

Shareholders can contact the following Officials for financial matters:

Name	E-Mail ID	Telephone Number
Vikash Kumar Jain - Chief Financial Officer	Investori@hexaware.com	+ 91 22 6791 9595

Following is the address for correspondence with the Company:

Hexaware Technologies Limited
Building No. 152, Millennium Business Park, Sector III,
'A' Block, TTC Industrial Area, Mahape, Navi Mumbai - 400 710.
E-mail: Investori@hexaware.com

14.18 Website:

The Company's website www.hexaware.com contains a separate dedicated section "Investors" where information sought by shareholders is available. The Annual report of the Company, press releases, quarterly reports, transcript of the analyst call of the Company apart from the details about the Company, Board of directors and Management, are also available on the website in a user friendly manner.

15 Other Disclosures:

(a) There are no materially significant transactions with related parties i.e. with the Promoters, Directors, Management, subsidiaries or relatives that may have potential conflict of interest with the Company at large. All transactions with related parties are in compliance with the section 188 of the Companies Act, where applicable and details of such transactions have been disclosed in standalone financial statements as required by the applicable accounting standards.

(b) There has been no instance of non-compliance by the Company, no penalties or strictures being imposed on the Company by the Stock Exchanges or SEBI or any statutory authority or any matter related to capital market during the last three years, except the one referred in secretarial audit report.

(c) The Company has framed a whistle blower policy. The policy enables the employees of the Company as well as of subsidiary companies, directors, contractors, contractor's employees, clients, vendors, internal or external auditors, regulatory agencies or other third parties, ex-employees of the company etc., to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This policy is reviewed annually by the Audit Committee to check the effectiveness of the policy. No personnel has been denied access to the Audit Committee.

(d) The company has complied with the mandatory requirements under SEBI Listing Regulations.

The Company has fulfilled the following non-mandatory requirements as prescribed in part E of Schedule II of SEBI Listing Regulations :

(i) Auditors qualification: Nil

(ii) Separate posts of Chairman and CEO

The company has appointed separate persons to the post of Chairman and CEO.

(iii) Reporting of Internal Auditor: The Internal auditors, PricewaterhouseCoopers Pvt. Ltd.'s report directly to the Audit Committee.

(e) The company has formulated a policy for determining 'material' subsidiaries which has been put up on the website of the company and available at the web link: http://hexaware.com/investors/

(f) The company has formulated the policy on dealing with Related Party Transactions and has been put on its website and available at the link http://hexaware.com/investors/

(g) The Company is not involved in commodity price and commodity hedging activities.

(h) There is no recommendation of any Committee which was not accepted by the Board.

(i) Total Fees paid/payable to Statutory Auditors :

Audit Fees	₹9.38 Mn.
Tax Audit Fees	₹1.20 Mn.
Certification Fees	₹3.71 Mn.
Total	₹14.29 Mn.

16 The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

17 The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is made in the Directors' Report.

18 The Company does not have demat suspense account.

For and on behalf of the Board

Place : Mumbai
Date : February 11, 2020

Atul K. Nishar
(Chairman)

Details required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings with respect to Directors seeking appointment / re-appointment are given below :

Name of the Director	Mr. Atul Nishar	Mr. R Srikrishna
Brief Resume	Mr. Atul Nishar, Founder & Chairman of Hexaware Technologies, is a well-known IT leader in India who has contributed in promoting Indian software capabilities across the globe.	Mr. R. Srikrishna is CEO and Executive Director of Hexaware Technologies Limited Since July 2014. Since then, he has worked towards creating an organization that delivers world-class services to customers, ensures employee satisfaction, while creating and sustaining long-term profitable growth and high momentum.
Experience / Expertise	Mr. Atul Nishar has successfully promoted and managed IT companies that have become global enterprises. He is the driving force behind Hexaware's strategic direction and marketing focus. Under his leadership, Hexaware Technologies has grown into a multi-million dollar, global software and BPO services corporation, listed on the Indian Stock Exchanges. He is strongly associated with several government and trade bodies that play an instrumental role in the development of India's IT Sector. An active and known figure of the Indian IT industry, he was the Chairman of National Association of Software and Service Companies (NASSCOM) in 2000 and he continues to be on the executive council of NASSCOM. He is also a charter member of The Indus Entrepreneurs (TiE), a member of the managing committee of the Indian Merchants Chamber and was the regional president, Western India Council, of Indo-American Chamber of Commerce from 2007 to 2009. In addition to chairing the Information Technology Committee (2001-2002), Nishar also served as the member of the national executive committee of the Confederation of Indian Industry (CII) in 2000 and as a member of the steering committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He has published several articles on information technology in leading Indian publications and has been a prominent speaker at conferences organized by Harvard Business School, NASSCOM, TiE, World Congress on Information Technology, the US Consulate, FICCI, and CII.	Mr. R Srikrishna is an eminent industry veteran, with over 25 years of IT experience. In an earlier stint, he was instrumental in building Infrastructure service offerings from scratch to a multibillion-dollar business for a reputed Indian multinational company. Over the years, he has honed his intuition and possesses the knack of identifying business opportunities ahead of competition. At Hexaware, he foresaw industry challenges and strategized to overcome them with the help of automation, in-depth knowledge of customer environment, crowdsourcing and executive attention. He spearheaded Hexaware's 'Shrink IT Grow Digital' strategy, thus transforming it from a typical services organization to a consultative, disruptive player in the IT, BPO and Consulting space. He further fine tuned this strategy to 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™ and TRANSFORM CUSTOMER EXPERIENCES™' that empowers sustained and industry-leading organic growth. Hexaware has become a global leader and the fastest growing next-generation provider of IT, BPO and consulting services. The organization is also marching towards its success in Robotic Process Automation. These accomplishments are testament to his dedication and entrepreneurial vision. He showcases a great mix of leadership, inspiration, technology expertise, operational experience, technical breadth and passion for enhancing customer service. As a recognition of his leadership skills, he was named in 2010 as the Young Global Leader of the Year by the World Economic Forum.

Name of the Director	Mr. Atul Nishar	Mr. R Srikrishna
Age	64	49
Date of Birth	August 25, 1955	August 12, 1970
Date of First Appointment	November 20, 1992	July 27, 2014
Qualification	Mr. Nishar is an FCA (Fellow of the Institute of Chartered Accountants of India) and has received his bachelor's degree in commerce and law from University of Bombay.	Mr. R. Srikrishna holds a degree in electrical engineering from IIT and an MBA from IIM, Calcutta.
Relationship between Directors inter-se and with Manager and other KMPs	Mr. Atul Nishar is not related to any other Director, Manager and other KMPs of the Company.	Mr. R. Srikrishna is not related to any other Director, Manager and other KMPs of the Company.
Name of Companies in which he/she is Director and the Membership of Committees of the Board	Mr. Atul Nishar is holding Directorship in Hexaware Technologies Limited. Mr. Atul Nishar is holding membership in the following committees of Hexaware Technologies Limited 1. Stakeholders Relationship Committee – Chairman 2. Corporate Social Responsibility - Member 3. Strategy and Risk Committee - Chairman	Mr. R. Srikrishna is holding Directorship in Hexaware Technologies Limited. Mr. R Srikrishna is not a Member of Any Committee.
Shareholding	1,000	650,000

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Hexaware Technologies Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 3 May 2018 and addendum dated 6 February 2020.

2. This report contains details of compliance of conditions of corporate governance by Hexaware Technologies Limited ('the Company') for the year ended 31 December 2019, as stipulated in Regulations 17 to 27, clause (b) to (i) of the sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations'), pursuant to the Listing Agreement of the Company with the National Stock Exchange of India and the BSE Limited (collectively referred to as the 'Stock exchanges').

Management's responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the Company's management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 December 2019.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing ('SAs') specified under sub-section (10) of Section 143 of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAL3214

Place: Mumbai
Date: February 11, 2020

CEO AND CFO CERTIFICATION

We hereby certify that:-

A. We have reviewed financial statements and the cash flow statement for the quarter and year ended December 31, 2019 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter/year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:

   1. significant changes, if any, in internal control over financial reporting during the year;

   2. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	Mr. R Srikrishna	**Mr. Vikash Kumar Jain**
Date: February 11, 2020	CEO & Executive Director	Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company at www.hexaware.com.

As Chief Executive Officer and Executive Director of Hexaware Technologies Limited and as required by Schedule V (D) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company as identified by the Company considering the requirements in this respect, have affirmed compliance with the Code of Conduct for the year ended 31st December, 2019.

R Srikrishna
CEO & Executive Director

Date: February 11, 2020
Place: Mumbai

Management Discussion & Analysis

Economic Overview

Global

Global economy in 2019 witnessed a downturn due to various headwinds, such as trade tensions between the U.S and China, rising oil prices, global slowdown in the manufacturing sector, and the increasing tension around the U.S – Iran hostility, among other things. Manufacturing sectors across the globe were either slowing down or were close to recession territory. [1]

To curb the issue and improve the situation, many central banks began to adopt an expansionary monetary policy, with some countries (notably China and the United States) providing additional stimulus as well. Noticeably, in the month of December 2019, some relief was seen in the economy as a result of decreasing risk of Brexit, anticipated truce between the U.S and China and an ease in the financial condition considering stimulus which was provided by central banks.

Although, global GDP growth is expected to be 3.5% in 2020 from 3.2% in 2019 (Refer Graph 1 for details), easing the trade tension should help to propel global GDP growth rate. Among other things, global exporters adjusted to the new world of higher tariffs and the impacts of the trade war on real GDP growth turned out to be smaller than expected. Although, failure to keep risks in check would mean GDP growth in 2020 tumbling to about 1.8%. [2]

Confidence of the consumers is increasing as gauged by Ipsos Global Consumer Confidence Index which measures consumer confidence across 24 countries — came in at 48.7 for January 2020, just 1.5 points below an all-time high of 50.2 set in May 2018. All these factors combined, portray a recovery in the economy along with decreasing levels of unemployment. [3]

Developed economies

Developed economies are expected to recover with an initial trade deal between the U.S and China that will roll back some tariffs and boost Chinese purchases of US goods and services, defusing an 18-month conflict between the world's largest economies. Although, the truce between the U.S and China may only partially restore trade tensions. Along with that, there are ongoing trade disputes between the U.S and Europe, which include ongoing spats over U.S. tariffs on European steel, U.S. tariffs on European goods due to the Airbus-Boeing dispute and U.S. tariffs on French goods in response to a controversial French digital tax—a tax that is under serious consideration in several other countries and that could spread that trade fight even further. [4]

The United Kingdom is anticipated to officially exit the European Union at the end of January 2020, but that will only initiate things like: negotiating a free trade agreement between the U.K. and Europe before the end of the year, a deadline that European officials feel is almost impossible to meet. Failure to resolve key issues, such as tariff rates between Britain and the continent or regulatory standards between the two sides, could lead to another Brexit cliff edge at the end of the year, with all that entails for new investment, business and consumer confidence, and growth.

Emerging market and developing economies

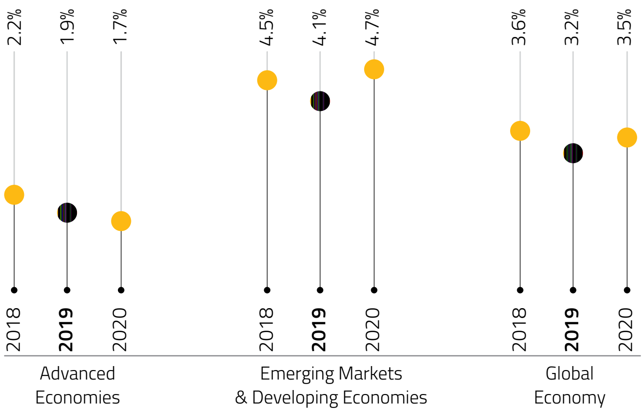
Indian economy is projected to grow by 5.7% in FY 2019-20 and is expected to grow by 6.6% in FY 2020-21 as per the UN. China is expected to have a higher growth rate than India with a 6% forecast for CY 2020. In South Asia, Bangladesh is projected to grow by 8.1% in FY 2019-20 and 7.8 in FY 2020-21, while Pakistan's growth rate estimated at 3.3% for FY 2019-20 is projected to slip to 2.1% FY 2020-21. Overall, economic outlook for EMDEs looks optimistic and it is expected to outperform the developed economies.

Economic growth of Africa's is anticipated to increase slightly from 3.2% in 2018 to 3.4% in 2019 and 3.7% in 2020. This moderate anticipated acceleration is supported by external factors, including a strengthening of global demand for Africa's products, and domestic factors, such as robust private consumption, sustained investments in infrastructure, and rising oil production, particularly due to new field development.

Outlook

Overall, economies across the globe are expected to recover. Nevertheless, there are downside risks that predominate, including the possibility of a re-escalation of global trade tensions, sharp downturns in major economies, and financial disruptions. Emerging market and developing economies need to rebuild macroeconomic policy space to enhance resilience to adverse shocks and pursue decisive reforms to bolster long-term growth. [6]

Graph 1: Global GDP growth rate (in %)



[Source: IMF]

[1]https://www.weforum.org/agenda/2020/01/global-growth-stabilized-2020/
[2]https://www.theguardian.com/business/2020/jan/16/us-china-tensions-could-slow-global-economy-un-warns
[3]https://www.cnbc.com/2020/01/16/consumers-around-the-world-are-confident-despite-fragile-economy.html
[4]https://foreignpolicy.com/2019/12/31/global-economy-2020-outlook-positive-china-debt-trade-growth/
[5]https://www.newindianexpress.com/business/2020/jan/17/un-projects-indias-growth-rate-at-57-per-cent-for-2019-20-expects-it-to-rise-next-year-2090822.html
[6]https://www.worldbank.org/en/publication/global-economic-prospects

India

Indian economy has been facing slowdown and significant downside risk, posing a question on whether the economic headwinds are cyclical or structural. The current slowdown is expected to pick up as the government has announced reforms such as accommodative fiscal and monetary policy. However, high levels of bad debt in the banking sector could hinder lending and restrain consumption growth.

India's GDP stood below 5% for the first two quarters of FY 2019-20, compelling policymakers and markets to rethink India's outlook (Refer graph 2 for details). Q1 FY 2019-20 registered 5% growth in GDP owing to a slump in three growth engines - private consumption, private investment, and exports. Consumption, being the biggest contributor of growth, decreased to 3.1% in Q1 FY2019-20, hinting fragile consumer sentiment and purchasing ability because of rising inflation. [7]

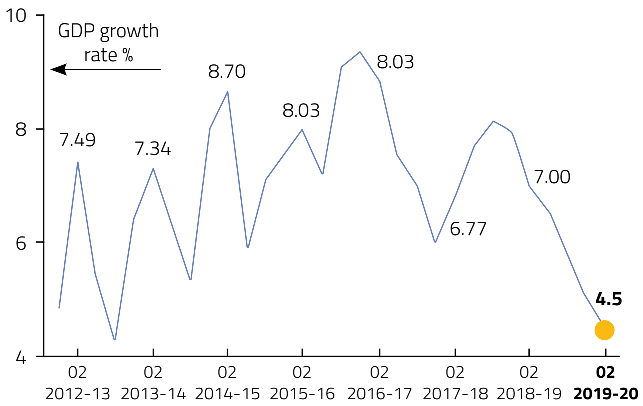
Consumer price inflation [CPI] in India increased to 7.35% in December 2019 from 5.54% in November, way above the market expectations of 6.2% (Refer graph 3 for details). This is the fifth straight month where inflation has increased, remaining highest rate since July 2016. The main drivers leading to this increase are cost of food and beverages (12.16%), namely cereals (4.36%), milk (4.22%), vegetables (60.5%), fruits (4.55%) and pulses (15.44%). Among other things, cost of fuel and light (0.7%), clothing and footwear (1.5%), housing (4.3%) and pan, tobacco & intoxicants (3.4%) also contributed to this rise.[8] Oil prices rose above $70 a barrel for the first time since September owing to U.S – Iran tensions and India being the third biggest oil importer has been gravely affected by this. [9]

Private investments, being one of the growth factors, grew 4%, marginally up from 3.6% in the previous quarter. Exports growth has been volatile owing to global uncertainties around trade and mounting geopolitical tensions. On top of this, one of the major contributing factors leading to the current slowdown is the crisis in the NBFC sector.

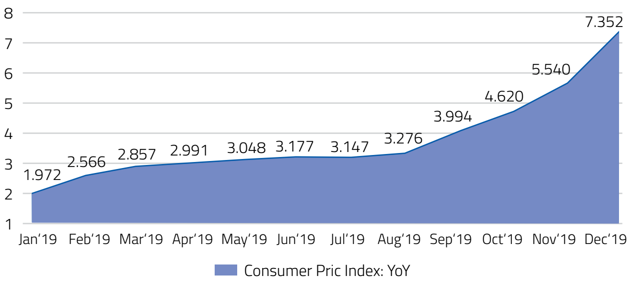
Outlook

Despite the given scenario, the economy is expected to recover with easing monetary conditions that would support demand while conditions stabilize globally. Along with that, demand-supportive measures given in the February 2020 budget should help augment growth in the near term. Smooth implementation is also in focus in the first part of the government's second term, covering simplifying the Goods and services tax (GST), tightening the banking /non-banking sector and strengthening the bankruptcy law. On the monetary policy front, Reserve Bank of India (RBI) is expected to further cut rates by another 50 bps by March 2020, which would help shore up growth by boosting liquidity thereby increasing demand. [10]

Graph 2: GDP growth rate (in %)



Graph 3: Consumer Price Index Growth from Jan 2019 to December 2019



[Source: CEIC]

Industry Overview - Information Technology Sector

Global

IT spending worldwide is projected to reach $3.9 trillion in 2020, an increase of 3.4% from 2019 and is also expected to cross the $4 trillion territory in 2021. This increase is a function of major trends that the sector has been experiencing. Economies, jobs, and personal lives are becoming more digital, more connected, and more automated. All of these trends combined are powering the technology growth engine that appears to be on the cusp of another major step forward.

The fastest-growing segment will be Software, as enterprise software are being driven by the adoption of software as a service (SaaS), which has registered a double-digit growth of 10.5% (For details, refer table 1). Along with that, software that are not cloud are also likely to grow, albeit at a slower rate. SaaS has been gaining attention in terms on new spending, although licensed-based software will still be purchased and its use will be expanded through 2023.

[7] https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html
[8] https://tradingeconomics.com/india/inflation-cpi
[9] https://knoema.com/sllksof/india-inflation-forecast-2019-2024-and-up-to-2060-data-and-charts
[10] DBS Banking group

Tech sector accounts for a significant portion of the economic activity across the globe especially in the US. The economic impact of the US tech sector, measured as a percentage of GDP, exceeds that of most other industries, including sectors such as retail, construction, and transportation. Majority of the technology spending happens beyond the borders, despite the size of the US. [11]

Among other regions, Western Europe has been a significant contributor, accounting for approximately one of every five technology dollars spent worldwide. However, as far as individual countries go, China has established itself as a major player in the global tech market and has followed a pattern that can also be seen in developing regions. There is a twofold effect of closing the gap in categories such as IT infrastructure, software, and services, along with staking out leadership positions in emerging areas such as robotics.

The bulk of technology spending stems from purchases made by corporate or government entities and a smaller portion comes from household spending, including home-based businesses. It is difficult to precisely classify certain types of technology purchases as being solely business or solely consumer due to the blurring of work and personal life, especially in the small business space, along with the shadow IT phenomenon.

Table 1: Worldwide IT Spending Forecast (Billions of U.S. Dollars)

	2019 Spending	2019 Growth (%)	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)
Data Center Systems	205	-2.7	208	1.9	212	1.5
Enterprise Software	456	8.5	503	10.5	556	10.5
Devices	682	-4.3	688	0.8	685	-0.3
IT Services	1,030	3.6	1,081	5	1,140	5.5
Communications Services	1,364	-1.1	1,384	1.5	1,413	2.1
Overall IT	3,737	0.5	3,865	3.4	4,007	3.7

[Source: Gartner (January 2020)]

Spend Shift – The IT investment mix is likely to change this year, as some areas grow much faster than other.

- **Enterprise Software** - Spending on enterprise software will outstrip all other categories, rising to $503 billion, an increase of 10.5%, as companies increasingly see code as core to competing in the digital-first economy. The fastest-growing portion of this spend will be on software services delivered via the cloud, which is the foundation on which many new disruptive business models are being built

- **Hardware investment** – This segment fell by 4.3% in 2019, is expected to rise by less than 1% in 2020, to $688 billion. Outside the U.S., the strength of the dollar is likely to hold back spending on devices in countries such as the U.K., where investment in servers and other gear is forecasted to drop by 3%

- **Data Center Systems** - Investment in data center systems should rebound this year, rising by 1.9%, to $208 billion, after falling in 2019.

Enterprise IT spending growth for cloud-based offerings will be faster than growth in traditional (non-cloud) IT offering through 2022. Organizations have a high percentage of IT spending dedicated to cloud adoption, which indicates the emergence in the next-generation, disruptive business models.

Table 2: Factors that could drive or inhibit growth in 2020

Factors that will hinder growth	Customers postponing purchases/taking a wait and see approach	Unexpected shock (e.g. new financial crisis, natural disaster, etc.)	Negative government action (e.g. regulation, trade policy etc.)	Shrinking margins/ profitability	Labour costs/ availability of skilled IT workers	Disruption/ competition from new firms entering IT space
Factors that will favour growth	Successfully reaching new customer segments	Pick-up in business from existing customer base	Successfully selling new business lines/launching new products	Improvement to sales / marketing efforts	Improvement to internal operations/running more efficiently	Positive government action (e.g. deregulation, tax code changes, etc.)

[11] https://comptiacdn.azureedge.net/webcontent/docs/default-source/research-reports/comptia-it-industry-outlook-2020.pdf?sfvrsn=8869ad68_0

Key focus areas for 2020

Cloud Security

As the year under review witnessed major cloud breaches, cloud security has gained significant relevance. A secure cloud database allows continuous visibility, compliance and detection of threats to accounts and workloads with secure operation.

Automation, AI and Analytics

Robotics Process Automation (RPA) is the entryway to other automation and AI technologies to beat difficulties presented by changing business sector demands and client necessities

Artificial Intelligence (AI) and Machine Learning (ML)

As many organizations across industries are looking to automate repetitive learning and gain insights through data

Cloud data centers

Cloud computing trends show YoY growth, ever since it was introduced. Eventually, at some point in the near future, traditional data centers will become obsolete and cloud data centres will occupy data storage functionalities.

Intelligent automation

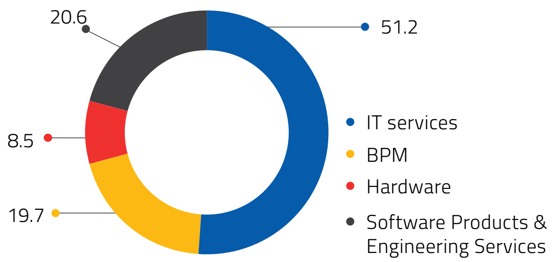
This usually refers to the pairing of process automation with more cognitive AI disciplines like machine learning. This will particularly gain momentum as teams gain a more practical understanding of the limits of standalone, rules-based RPA processes.

India

Information Technology and Business Process Management (IT-BPM) Industry

The IT-BPM industry in India has been the flag-bearer of the country's exports for the past two decades, with industry size reaching about US$ 177 billion in March 2019 witnessing a growth of 6.1 per cent YoY and is estimated that the size of the industry will grow to $350 billion by 2025. [12] The sector has been contributing significantly to the economy via employment growth and value addition. IT services constituted 51% of the IT-BPM sector in FY 2018-19, followed by Software & Engineering Services which contributed 20.6% and lastly the BPM Services segment that contributed 19.7%. (For details refer graph 4). IT services remained the dominant segment within the IT-BPM sector with about $91 billion in revenues in FY 2018-19. Within IT services, digital revenues grew more than 30% YoY to reach $33 billion.[13]

Graph 4: Sub-Sector Breakdown of IT-BPM Sector in 2018-19



[Source: CEIC]

About 83% of the total IT-BPM industry (excluding hardware) continues to be export driven, with export revenues in excess of US$ 135 billion in FY 2018-19 (For details refer table 3). Revenue growth for IT-BPM sector (excluding hardware) stood at 6.8% YoY in FY 2018-19 from 8.2% in FY 2017-18. This decrease in revenue was due to a contraction of 0.3% in domestic revenue growth even as export revenue growth accelerated to 8.3 per cent.[13]

Table 3: Exports and Domestic Market Size of Indian IT-BPM Industry (Excluding Hardware & E-Commerce)

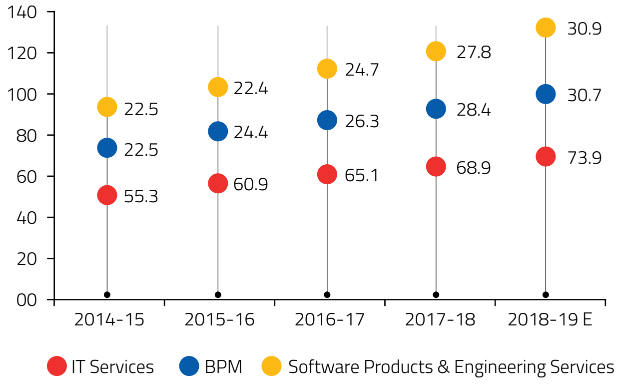
Year	US$ billion			Growth (per cent YoY)		
	Domestic	Exports	Total	Domestic	Exports	Total
2014-15	20.9	97.7	118.6			
2015-16	21.6	107.8	129.4	3.2	10.3	9.1
2016-17	23.8	116.1	139.9	10.4	7.6	8.1
2017-18	26.3	125.1	151.4	10.4	7.8	8.2
2018-19E	26.3	135.5	161.8	-0.3	8.3	6.8

[Source: NASSCOM]

Note: E: Estimate.

Of the total $135.5 billion in exports in FY 2018-19, IT services accounted for 55% of the exports, followed by BPM and Software Products & Engineering services which accounted for the remaining 45%, with each accounting for almost half of the share (For details refer graph 6)

Graph 6: Sub-Sector Breakdown of IT-BPM Exports [Excluding hardware and e-commerce] (in $ billion)



[Source: NASSCOM]

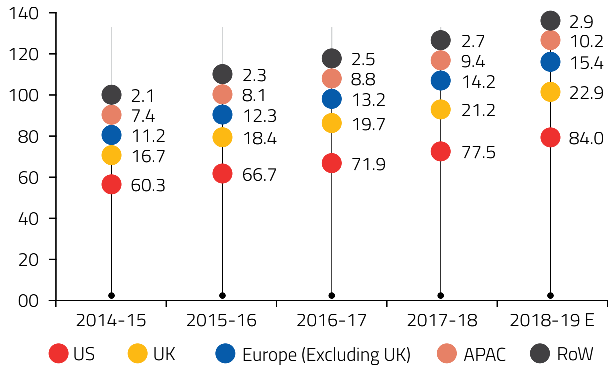
Note: E: Estimate.

United States is an important market as it accounts for the bulk of exports, amounting to $84 billion, which is 62% of the total IT-BPM exports (excluding hardware) in FY 2018-19 (For details refer graph 7). The second largest market is UK market for IT-BPM services, with a share of around 17%. Europe (excluding UK) and Asia-Pacific account for 11.4% and 7.6% of the export earnings, respectively.[13]

[12] https://www.ibef.org/industry/indian-iT-and-iTeS-industry-analysis-presentation

[13] NASSCOM Report

Graph 7: Geographic Break-up of India's IT-BPM Exports [Excluding hardware and e-commerce] (in $ billion)



[Source: NASSCOM]

Note: E: Estimate.

A number of initiatives have been undertaken by the GoI over the past 2-3 years, to drive innovation and technology adoption in the IT-BPM sector, including Start-up India, National Software Product Policy, and removal of issues related to Angel Tax. The start-up ecosystem in the country has been progressing and is now the third largest in the world with 24 unicorns, though the gap with the largest (China: 206) and second largest (USA: 203) markets remains significant. Cities such as Mumbai, Bangalore, Delhi – NCR account for around 55% of the total start-ups in the country.[13]

Spending in Information Technology

IT spending in India is expected to be $94 billion in 2020, up from 88.5 billion in 2019 (an increase of 6.6%). A strong growth in total software spending is expected which will be driven by enterprise application software and is forecasted to grow 17% in 2020. The expected increase in overall business spending will help drive 16% growth in enterprise mobile phone spending in 2020, pushing growth in the devices segment to 6.3% (For details refer Table 4).

Over 50% of the country's total IT spending is done by consumers and a dip in consumer spending will lead to a tremendous impact on total IT spending. Resistance to invest in devices by consumers have impacted the overall IT spending in the country. In 2019, despite of five back-to-back rate cuts throughout the year, consumption slowed in the country. This scenario is expected to change in 2020. On the other hand, businesses showed resilience and continued to invest in IT even within slow economy. Corporate tax cuts along with policies were introduced by the Government to revive the economy and bolster consumer spending. This resulted in an increase in corporate spending in software and services, along with continued investment in cloud, analytics, digital and automation.[14]

Table 4: India IT Spending Forecast (Millions of U.S. Dollars)

	2019 Spending	2019 Growth (%)	2020 Spending	2020 Growth (%)
Data Center Systems	3,726	2.7	3,819	2.5
Software	6,383	13.6	7,354	15.2
Devices	33,379	-2.4	35,468	6.3
IT Services	15,786	12.0	17,897	13.4
Communications Services	29,203	-0.1	29,788	2.0
Overall IT	**88,476**	**2.0**	**94,326**	**6.6**

[Source: Gartner (November 2019)]

Opportunity landscape

- Increasing start-ups and young entrepreneurs leading to expanding consumer base in India
- Increasing adoption and awareness of latest-technologies such as cloud, AI, cybersecurity, IoT & Edge computing, Machine Learning and Blockchain
- The Government of India's target to be a $1 trillion data economy by 2025 will further drive industry's spending in data ownership & sharing and cybersecurity
- Rising investment in innovative digital solutions and technology verticals that serve various industries, including transportation, banking & finance, health & insurance and manufacturing, in order to increase their productivity and ensure seamless operations
- Due to strong mobility network, education, and digital infrastructure, Tier II and Tier III cities are also entering the Indian software ecosystem. This will drive investment in innovative solutions by IT companies
- Rising government spend towards digital infrastructure, will further make India, a favourable destination for IT outsourcing by foreign giants.
- Cumulative FDI worth $39.47 billion was attracted by the computer software and hardware sector between April 2000 and June 2019. The sector also ranks second in inflow of FDI
- PE and VC investments in the IT & ITeS sector stood at $3.6 billion and $67 million in Q3 2019, respectively
- The Government of India has extended tax holidays to the IT sector for software technology parks of India (STPI) and Special Economic Zones (SEZs) and as of November 2019, there were 417 approved SEZs across the country where 274 are of IT & ITeS and 143 are exporting SEZs

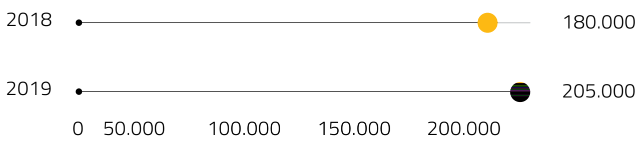
[14] https://www.gartner.com/en/newsroom/press-releases/2019-11-11-gartner-forecasts-it-spending-in-india-to-total-us-94

- The country is also providing procedural ease and single window clearance by launching MeitY Startup Hub (MSH) portal for setting up facilities
- The government has also identified information technology as one of the 12 champion service sectors for which an action plan is being developed, along with a ₹5,000 crore ($745.82 million) fund for realising the potential of these champion service sectors.

Employment generation in the sector

IT industry in India has created over 200,000 new jobs in 2019, up from 180,000 a year ago (For details refer graph 8). The sector now has a total 4.36 million people in the workforce.

Graph 8: Net new jobs created in India's IT industry

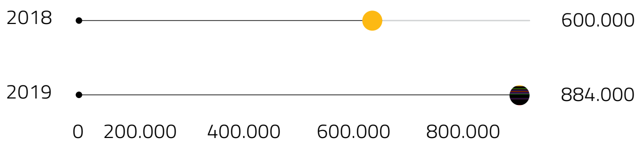


[Source: NASSCOM]

To further increase employment generation and dispersal of IT/ITES industry in small cities and towns in the country, government has introduced various schemes like India BPO Promotion Scheme (IBPS). Under the scheme, the government will incentivize setting up of 48,300 seats BPO/ITES operations by providing financial support of up to ₹1 lakh per seat which will be in the form of viability gap funding for capital and operational expenditure along with special incentives like encouraging employment to women and physically disabled persons, promoting local entrepreneurs, etc. Total direct employment under IBPS is over 32,000.[15]

Employment generation has been steady, although there is one perceived threat to jobs that been on the rise, artificial intelligence & automation. While these new technologies are replacing menial jobs, they are also creating more meaningful ones. Jobs in domains such as big data, AI, Internet-of-Things (IoT), cloud computing, and cybersecurity have been surfacing, as traditional jobs have been disappearing gradually. Optimists of Automation will even go as far as saying that in manpower-heavy industries such as textile manufacturing, automation could actually increase efficiency. In turn, prices would drop for consumers while worker productivity and wages increase. Eventually, output and employment would both rise.[16]

Graph 9: Number of Indian IT workers that were digitally-skilled



[Source: NASSCOM]

Hexaware Business overview

Hexaware Technologies Limited (hereinafter known as Hexaware) is among the fastest growing IT enterprises company in the country. Headquartered in Mumbai, the Company continues to transform the conventional IT based systems with emerging technologies, centered around its three strategic pillars of Automate Everything™, Cloudify Everything™ and Transform Customer Experiences™. With a global client base of more than 250, the Company offers customised services and effective business strategies in the field of Application Transformation Management (ATM), Business intelligence and Analytics Services, Business Process Services, Digital Assurance, Enterprise Solutions and Infrastructure Management Services among others.

These services are offered to a global customer base across industries, namely,

- Banking & Financial Services
- Healthcare & Insurance
- Travel & Transportation
- Manufacturing & Consumer
- Hi-Tech & Professional Services

Performance review

Amidst a challenging macro and micro economic scenario gripping the global and domestic economy, the Company reported a strong double digit growth of 17.1% (in US$ terms) in FY 2019 over previous year. A strong 19,999 employee base across multiple locations continues to drive sustained growth in topline and bottom line with healthy margins. During the year, the Company expanded its geographic footprint and diversified its customer base.

Strengthening the core strategy

Hexaware's recent acquisition of Mobiquity Inc. – a specialised enterprise in enhancing customer experiences through its innovative services, is a big step towards strengthening its core of Transform Customer Experiences™ and Cloudify Everything™. With presence

[15] https://www.financialexpress.com/industry/it-industry-may-become-lighthouse-for-indias-growth-heres-how-many-it-firms-operate-in-india/1870795/

[16] https://qz.com/india/1801699/indias-it-industry-created-more-jobs-in-2019-than-a-year-ago/

across three continents, Mobiquity is one of the largest independent customer experience consulting firms specialising in building multi-channel digital experiences using cloud technologies. The acquisition allows Hexaware to accelerate its contributions to the existing customers as well as expand to new customer base. The synergy allows Hexaware to expand its market presence in banking and financial services, pharma and retail sector.

Core business strategy

Automate Everything™

Automation has transformed how we operate. Enterprises all over the world have moved over traditional processes to rely on automated systems that dramatically enhance end-user experience. From developing automated processes for specific purposes, advanced technologies pertaining to Artificial Intelligence (AI) and Machine Learning (ML) is creating a powerful impact across functions. With a capacity to deliver highly complex tasks without human intervention, automation is simplifying systems, improving efficiency and building synergies within organizations.

Cloudify Everything™

The 21st century is marked by exponential data growth. And the cloud infrastructure offers the perfect platform for its access and storage. Companies are heavily relying on the cloud to ensure flexibility, agility and connectivity. Offering an ideal transformation platform, Hexaware provides ambitious, cutting-edge strategies to fulfil digital transformation plans. Equipped to mitigate the risks and challenges associated with migration to a cloud ecosystem, Hexaware aims to offer the right IT infrastructure to achieve desired business objectives.

Transform Customer Experience™

Great customer experience always stands the test of time. It differentiates businesses and encourages them to move ahead of competition, unlocking the road to success. Hexaware strives to consistently deliver superior solutions to enhance customer intimacy and eventually, transform end-user experiences.

Competitive edge

- Strong financials: The acquisition of Mobiquity in an all cash deal validates the strong liquidity position at Hexaware. Post the acquisition, the Company continues to maintain a healthy cash flow, strong balance sheet and value for stakeholders.
- Domain expertise: Focusing on its core strategies, Hexaware possesses expertise in its area of offerings to a diverse customer base across different verticals. The understanding of emerging technologies and collaborating with customer needs has helped it develop solutions and services that are unique and proprietary to its nature.
- Strong client base: Hexaware's global service model has allowed it to serve a global client base in a cost-effective manner. It continues to garner a strong proportion of its revenues through repeat business from existing clients
- Growing market presence: The Company continues to penetrate across new countries with setting up of offices and dedicated team to ensure uninterrupted client delivery. This has helped retain existing clients with improved client relationships and sustained revenue flow to the business.
- Intellectual Capital: The Company is today standing tall with its 19,999 employees, with minimal attrition rates. The diverse employee base, engaging work culture, adequate training and core HR practices define the growth prospects.

Integrated Reporting

1. Our Human Capital

Human Resources and Industrial Relations:

In the IT industry, Human Resources are the foundation of charting out the next growth strategies for any company. At Hexaware, Human Resource is the 'go-to' department for counselling, consultation, and information, among others, due to integrity and the neutral position of this department. The Company promotes just and fair HR practices, and employee-friendly policies and processes. The quality of the employees and the work culture is the key to its long-term business sustainability. The Company continues to provide necessary human resource development and training opportunities to equip people with additional skills, enabling them to seamlessly integrate and evolve with ongoing technological advancements and add significant value propositions to its customers.

During FY 2019, the Company planned and executed several training interventions for employees on diverse areas such as technical skills, behavioral skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct and product training.

As the Company caters to a diversified workforce which comprises various nationalities and cultures, every employee's individual development and welfare forms the core of our HR practices. The Company believes that motivated employees help the Company meet its rapidly evolving customer requirements across different business verticals. The Company continues to partner with its people to strengthen its Human Resource processes and HR competencies to contribute to organisational capabilities and employee well-being, thereby making Hexaware a great place to work.

The HR structure is organised to closely align with its business. This has helped the Company focus and collaborate on achieving the common goal of enhanced employee experience. The HR Shared Service teams are mapped to different geographies for higher accountability. They are primarily responsible for resolving day to day employee queries.

The HR Business Partner teams are aligned to the business verticals and horizontals and are responsible to drive employee engagement, talent management and key people processes.

The Cororate HR team includes Centres of Expertise catering to functional areas such as:

- Compensation and Benefits
- People, Processes and Policy Design
- Organisational capability development
- Talent acquisition (Leadership hiring and Campus Hiring)

Employee Headcount

Year	2015	2016	2017	2018	2019
No	11,375	12,115	13,705	16,205	19,999

Key HR Initiatives of FY 2019

Hexaware Technologies Limited has well-defined HR practices and policies in place. The Company recognises its people as its extended family and gives utmost importance to people processes, constantly benchmarking itself against the industry standards. To reinforce alignment of core beliefs and actions, the Company continues to transform its policies, processes and practices. The HR policies are aligned to its organizational strategy. The Company has automated a lot of administrative tasks to enable strategic initiatives. The Company provides employees with various resources and platforms through which they can communicate within the global organisation. This has further empowered the employees to boost productivity, drive strong performance and focus on client-centric initiatives. To unfold the growth opportunities, the Company not just provides its employees with a competitive compensation, but also holds timely reward and recognition ceremonies. This helps the company to build talent from within and strengthen its engagement initiatives.

Regular engagement activities and surveys are conducted to sense the pulse of the employees and improve their motivation levels. This strengthens the work culture and delivery which lightens the work place atmosphere and enhances employee experience and well-being. The refurbished Facebook@ work tool helps employees in connecting with people across the organization at global locations. The Empower survey conducted at the end of the year gave an insight into the drivers for employee morale and what makes Hexaware a great place to work. The relaunched 'StationH' portal provides a one stop shop for employees to get information about all the organization wide processes and policies.

Motivated Employees

The Company supports and promotes transparent communication and healthy interactions between leaders and employees at large, focusing on creating a friendly atmosphere and discussing the changing dynamics of the industry. With the implementation of effective change management processes, there exists a clear line of communication among the employees and collectively they work with the mindset of achieving the organisational goals. The Company has put in place various mechanisms that constantly motivate the work force to view the Company's vision and work dedicatedly towards future growth plans.

Hexaware Technologies Limited has ensured that it attracts, mentors and retains the best talent through effective and assured career development path and a healthy work life balance. The Company focuses on next generation solutions, attracting and retaining the right talent, adheres to a business strategy that impacts people positively and creates a sustainable value for all its employees. The Company aims to align employees' career aspirations with the evolving business needs and promote talent by taking them to the next level. The Company's first thrust is to fill the leadership positions from the existing talent pool by encouraging horizontal movements among deserving candidates from within. This boosts the employee's morale as it gives them an opportunity to showcase their talent and explore their fullest potential. The Company has the performance management system (PMS) to assess the potential candidates for the next role. The PMS system guides employees towards the right career path and gives a clear vision of their career trajectory.

The Company has introduced the higher education program for employees who wish to pursue their MTech Program to upgrade their skills and fulfilling their ambition of pursuing their higher education.

The Company has a well-structured Rewards and Recognition (R&R) program through which managers can recognise or nominate their team members for awards and other incentives. It works as a great motivation program, as it encourages employees to give their best at work and feel valued to be a part of this organization.

Employee engagement

At Hexaware, the Company is geared towards implementing employee engagement initiatives that keep its employees fully engaged in their jobs and emotionally invested in committing themselves by adding value to their team and achieving the organisation's initiatives. Employees attend the regular 'HR pulse and skip meetings' which help in ironing out their concerns and providing the required clarifications. The Company provides its employees with a clear road map for their careers by conducting periodic Open Houses and townhall meetings.

As part of engagement initiatives, various workshops and seminars are organized on diverse topics such as:

- De-stress camp
- Healthy eating workshops
- Financial management
- Medical camps
- Aadhar card camp
- Hexaware kid's day
- Prevention of sexual harassment training

Employee Welfare

There are a lot of employee welfare activities and schemes in the Company to improve and enhance the quality of life for the employee. In its endeavour to improve employee welfare, the Company is invariably exploring value driven initiatives.

- **Counselling:** With the dynamics of industry changing, consultants are bound to get stressed and pressurized. The personal and professional issues can take a toll on people and too combat this, the Company has tied up to provide '1 to 1 help net' to provide anonymous counselling services to its employees that they can avail of anytime or anywhere. The Company is fully committed to employee welfare and addresses work related issues that may affect its employees' wellbeing, work performance, workplace morale and mental health.

- **Doctor-on-call:** Well-being programs have a positive impact on the employees and lead to improved team engagement levels, cohesiveness and increased productivity. The Company has appointed an in-house doctor for consultation within the campus as well as on-call.

- **Cordial work environment:** A positive work environment is not only important for our physical, mental and emotional health, but is also important for the Company. The better we feel at work, the more likely we will take pride in what we do. The Company is an equal opportunity employer and is committed to provide a harassment-free work environment to the employees. We have conducted training sessions for the employees to understand the concept of harassment and the potential repercussions of it.

- **Staff welfare guidelines:** Fun is an integral part of our work culture. The Company organises team outings, office picnics, treks and other sporting and cultural events to ensure that our team members get an opportunity to bond and rejuvenate.

Diversity

The Company has strongly embedded diversity and inclusion into its organisational culture. It has developed an ecosystem focused towards development and advancement of the diverse workforce. We foster inclusion in our Company by learning about the cultural backgrounds, lives and interests of employees outside of the workplace and ensure that all employees can partake in decision making and professional opportunities for advancement. The Company has a substantial percentage of women employees which stands at 31% of our total workforce. The Company has a dedicated group W@H (Women At Hexaware) which conducts women specific activities like Self Defense Workshops, Women Day's celebration, and parenting workshop, among others. We also respect the diversity of culture and nationalities and have a workforce spanning across multiple countries globally.

Women Employees at Hexaware Technologies Limited

Year	2015	2016	2017	2018	2019
No	3,216	3,634	3,641	5,075	6,254

2. Intellectual Capital

The Company is diligent in taking steps to formally record and create intellectual property with competent state authorities in the countries of its presence. The Company has taken steps to protect its intellectual property with patent and trademark offices in 16 countries till date, i.e. Australia, Benelux, Brazil, Canada, China, France, Germany, India, Japan, Mexico, Romania, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. The Company has obtained about 60 registrations for its trademarks in various countries, and a number of pending applications, with recent efforts at strengthening its trademark portfolio across the countries of its presence.

The Company has a state-of-the-art Research and Development wing carrying on Research and Development activities to create Intellectual Property for the Company. Hexaware is in the process of obtaining patent protection for its innovations. Hexaware Innovation lab is staffed by dedicated Innovation architects, full stack developers as well as consultants by rotation working here to exchange ideas and produce the desired results. Innovation lab pursues all R&D activities within the organization. The key goal of this lab is to translate the business domain and technology expertise acquired through wide array of engagements and translate that to tools towards mitigating technology and project risks of our customers.

The Company has been vigilant in protecting its intellectual property worldwide, which includes threats and claims from third parties as well. The Company has actively prevented third parties from claiming rights to its intellectual property as well as taken proactive measures to defend itself where third parties have sought to challenge Hexaware's rights in a number of countries worldwide.

3. Social and Relationship Capital

The Social and Relationship Capital encapsulates the relationships with customers, suppliers, Investors, with communities and other stakeholders. Maintaining healthy and long-term relationships with customers, suppliers, Investors and communities are key to our business success.

Building close relationships based on trust with all stakeholders, sharing value and protecting the environment are core to Company's ethos. The purpose of Hexaware Technologies is to deliver innovative products and services that bring a better life, health and well-being to people everywhere. The Company believes that this is the basis on which we will ensure sustainable growth.

Customers:

The Company work on three key strategies i.e **Automate Everything™, Cloudify Everything™, Transform Customer Experience™.**

Hexaware believes that delivering great customer experience, consistently, is powerful differentiator. It is our mission to help our clients adopt customer intimacy, transform their end customers' experiences and deliver it consistently to make it their competitive advantage.

The three key pillars for transforming customer experience are given below:

1. Experience First

   Design Thinking framework / archetype and approach through the lens of the customer with a forward-looking business vision and strategy:

   - Experience First Strategy
   - Digital Capabilities Benchmarking
   - Digital Products & Services Design
   - Shoppable Experience
   - Personalize Everything (Personalization)
   - Digital Ergonomics (Accessibility, Voice Enablement, Visual Cues, etc.)
   - Digital Banking and Financial Services
   - Web or Mobile Experience Design and Front-end Development
   - IT Strategy and Consulting
   - Enterprise Data Strategy / Governance / Consulting

2. Engineering Transformation

   Transform End Customers' experiences by leveraging Platforms and Technologies across business functions, applications and infrastructure:

   - Digital Marketing and Commerce Platforms
   - Cognitive Engineering – Data Platforms and Analytics
   - Augmenting Experience through AR / VR
   - Custom Development and Systems Integration
   - IT Modernization and Enterprise Architecture
   - Cloud Technology Migration & Managed Support
   - AI / ML driven Personalization
   - Continuous Integration and Delivery
   - IT Infrastructure Transformation

3. Continuous Experience Delivery

   Enhance and Scale digital experience efficiently, minimize time to market and improve operational efficiencies for an engaging experience, thereby enabling customer intimacy and advocacy.

   - Commerce Optimization and Management
   - Content and Creative Production
   - Microsite, Martech campaigns and Social
   - Email campaigns through CRM
   - Marketing Analytics and Measurement services
   - Data and Analytics driven Personalization
   - Machine Learning driven Optimization
   - Always-on Digital Innovation

Mobiquity acquisition – a win-win situation

Mobiquity strengthens two of our key strategic offerings: Cloudify Everything™ and Customer Experience Transformation. We are seeing a strong demand for these capabilities and, with this acquisition, we will be able to further enhance our contributions to our customers' business growth. Both Hexaware and Mobiquity have created very strong impact for their clients and have a mutually complementing position. Our combined capabilities will enhance our market positioning and opportunity to make a greater impact for our clients.

Suppliers

The Company believes in maintaining healthy relationship with suppliers. It continues to further enhance the Business imperatives of efficiency, cost effectiveness and resilience in the supply chain with multiple measures identified during the year.

The major factors influencing selection of suppliers are nature of goods and services, quality, capability, performance

& on-time delivery and price. While selecting the vendors, preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations with an objective of creating employment and economic opportunities in local area. The procurement department of the Company gives regular feedback to the suppliers. The purpose of feedback is to help the suppliers to bring in external perspectives on the services rendered, improvement opportunities, quantitative measurement of service levels and compare performance against the previous period. Also regular interaction with the suppliers and educating them about the standards of quality required and their importance helps to enhance their approach and understanding of support functions.

Investors

The Company continuously strives for excellence in investor relations with International and Domestic investors. We have deployed multiple channels of communications to disseminate relevant information to our shareholders, analysts, employees and the society at large:

(a) The quarterly, half yearly and Annual Results are published in Business Standard in English and Lakshadeep/ Navshakti in Marathi. Other communications are published in Business Standard and Navshakti in Marathi.

(b) The Company's audited financial results, press releases and the presentations made to institutional investors and analyst and other intimations to Stock Exchanges are posted on the Company's website - www.hexaware.com and websites of BSE and NSE viz. www.bseindia.com and www.nseindia.com

The senior leaders participate in various forums like investor conferences and investor road shows, in addition to hosting investors and equity analysts call on quarterly results. The transcripts of our earnings call, media presentations are available on website of the Company.

Communities and Civil Society

Seeking the provisions as an opportunity to address social problems Hexaware created a vision that encapsulates its CSR ethos and places its stakeholders at the center of its operations.

In pursuance of its vision of inculcating good corporate citizenship, Hexaware engages in strategic philanthropic programs to improve the quality of life of under-served, disadvantaged and marginalized communities. We are proud of our long-standing commitment to Corporate Social Responsibility (CSR) that is built on a strong edifice of inclusive growth and value creation for every stake holder including the communities and society that we thrive in

Our hopes and determination to give back to our community multiplies with each new year. Our annual Hexaware strategy provides a roadmap to undertake initiatives to fulfil the social responsibility towards communities and society. We strongly believe that CSR is the continuing commitment to behave ethically and contribute towards the betterment of the local community and society at large.

Our endeavor through our gamut of CSR activities is to enable people to help themselves and drive the CSR activities with their active participation and collaboration to benefit to communities and society. We also encourage and accelerate our employees' passion to do good by providing continuous employee engagement program. Our approach is holistic and addresses the wellbeing of all stakeholders from a social, environmental and ethical standpoint.

Kindly refer **Annexure 4** to Directors report on page no. 66 for details of imitative taken by the Company under CSR for betterment of communities and society.

4. Natural Capital

The Company is entirely a service Company and thus essentially, a non-energy intensive organization, in spite of that the Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the important part of preserving natural resources.

Kindly refer page no. 60 section on Conservation of Energy in Directors Report for details of initiatives taken by the Company for energy conservation and preserving natural resources.

5. Financial Capital

(Read this under Financial Overview section in MDA on Page 123)

6. Manufactured Capital

Manufacturing Capital includes all material resources and energy used throughout the manufacturing process and how effectively and sustainably these are used to maximize the output and service offerings by the Company. For the IT services business, these are the fixed assets like buildings, IT hardware and telecommunication equipment. The Company strengthens its manufactured capital by utilising its infrastructure, technologies and processes to use the resources efficiently. Manufactured capital greatly assists the Company in facilitating value-creating activities, as the quality of its manufactured capital determines the quality of its services.

Risk Management

Risk and Mitigation Strategy

Risk	Defining the Risk	Mitigation Strategy
Regulatory and Compliance Risk	The Company's business operations are spread across various geographies and offers wide range of services to its clients which results in the Company getting exposed to various regulatory requirements risks such as the issue of H1B visas or regulatory changes which the new US administration is likely to make which may add to woes of the Indian IT sector.	The Company has well defined regulatory compliance framework to track regulatory compliances globally and has defined owners for various compliances. The framework is not only designed to avoid violation of laws and regulations, but also to protect the Company's ethical standards. It has actively worked towards mitigating this risk by establishing several offices abroad, hiring a local workforce and shifting some of its projects nearshore even though it is difficult to predict regulatory changes. It has expanded its delivery presence in the European region by opening its global delivery centre (GDC) in Poland, Netherlands, Tver (Russia) to service its European and global clients.
Information and Cyber Security Risk	The Company has emerged as top risk across industries as companies are moving towards new technologies such as mobile computing, internet of things, cloud computing etc. With the dynamic threat landscape of highly technical nature, this risk is perceived as top of every company agenda internationally due to the possibilities of sophisticated targeted attacks, increasing ransomware threats, malware, data leakage and other security failures.	The Company has a well matured Information Security Management System with Policies, Processes and Controls to minimize the Cyber Security risks. The governance and management of Security compliance and risk is reviewed periodically. The Company is ISO 27001 Certified and engages external Auditing bodies to carry out Type-2 Assessment of SSAE16 and ISAE3402 for SOC1 and SOC2 annually. Internal and external Penetration Testing are conducted to manage the security vulnerabilities. Cyber Security alignment with NIST Cyber Security Framework is underway for the latest benchmarking of security practices.
Competition from Peers	The Company faces, competition from Tier 1 companies/tier 2 companies. Customers for various reasons including to diversify geographical or vendor concentration risk, seek to reduce their dependence on any one country or vendor and may seek to outsource their operations to other countries or vendors. In addition, some of the Company's clients have sought to outsource their operations to onsite providers of outsourcing services.	The Company's prime focus has been of strengthening strategic partnership with its clients. It has presence in countries where client requires its services. We have multiple service offerings covering entire range of IT needs of the client. It has deep relationship with its customers, its average relationship with top 10 customer is 11 years. It has embarked upon the expansion of onsite presence with increasing delivery center capability in US, creating new center in Europe to cater to clients in Europe meeting regulatory requirements. It adheres to presale accountability to drive bid in each vertical. Dedicated sales team including senior leaders are involved in large deals in market.

Risk	Defining the Risk	Mitigation Strategy
Talent Unavailability	Lag in deployment of resources for earning revenue, non-availability of relevant skill / skilled staff especially in: ▪ the new age domains such as digital offerings resulting in revenue loss and ▪ in US resulting in high attrition and in demand and supply mismatch.	The Company has put in place processes and tools for constant monitoring of the resource in the pool as well as resource on the project getting released for quick deployment. Resources in pool as well as projects are being upskilled / reskilled and appropriate HR actions taken. There is centralised process to forecast the resource requirements based on RFPs / pipelines followed by monitored hiring plans. The Company has also automated entire recruitment and resource management with the help of new age software. For the US, the Company has instituted program to hire graduates from US university, it has also increased retention measures like enhanced benefits. In addition, the Company is also expanding in Mexico delivery center to deliver services in US with advantage of talent availability and time zone.
Data protection and privacy Risk	The leakage and misuse of confidential data and proprietary information increases the risk of non-compliances of privacy and data protection laws. These breaches can also damage the brand reputation and relationships.	The Company has strategies to ensure Privacy & Data Protection Framework which includes governance, policies, privacy impact assessments, training, data mapping, incident management, and awareness. It also has policies for addressing privacy from the perspective of clients and corporate. The Company's policies and process ensures robust data protection measures in compliance with the global standards and requirements such as GDPR.
HR Related Risk	The Company operates in the industry which is highly dependent on talent and capabilities of its personnel. The Company needs to continuously invest in employee training and development which is intellectual capital for firms. Employee attrition is a major threat that drains the Company's intellectual capital and renders un-competitiveness.	The Company has effective people management systems and strategies, which have led to retaining low attrition levels. It remains focused on building a robust training framework to cater to the development needs of employees across leadership level, which includes professional, functional, technical and leadership development interventions.
Increased cost of services	Increase in salary and other costs affecting margins.	Improve operating efficiency by (a) Controlling operating cost (tight budgeting process) (b) Monitor and replace subcontractors with the full time employees wherever possible. (c) Mentor and guide potential candidate to take higher responsibility. (d) Broaden pyramid by hiring new trainee. (e) Improved performance management system leads to efficiency in system. For e.g. targets linked to margin, utilization and customer satisfaction.

Risk	Defining the Risk	Mitigation Strategy
Technology Risks / Business model changes	There's a significant disruption driven by technology. Traditional technologies are being replaced by new age ones at an unprecedent pace and in this context, it becomes important for the Company to continuously review and upgrade its technology, resources and processes to mitigate technical obsolescence.	The Company operates in various technology platforms and has developed competencies in various technologies, platforms and operating environments. The Company has been increasing the service offerings including into new age technology like automation, cloud, mobility and digital. It invests heavily on the continuous training by resources. It is also encouraging innovation in service delivery / solution offerings. The Company has strengthen sales team with hunters and farmers to win new client and existing account mining by providing differentiated services / solution by use of automation / RPA. It has also added leadership strength with new heads inducted who has relevant experience in the field.
Industry Risk	The Company caters to almost every sector like banking and financial services, travel and transportation, Healthcare to name a few. Any sectorial downturn will slow-down or affect our business performance.	The Company has developed a firm grip on various sectors and is familiar with the business cycles and performance. This helps it reduce dependency on any one area or sector. Its revenue concentration is fairly balanced. The Company also offers building differentiated solutions / offering within the vertical sub-segments. It has also expanded industry horizon with the launch of Professional Services vertical at the beginning of FY 2018.
Revenue Concentration Risk (1)	Concentration of business from customers from limited geography.	Expansion of onsite presence with increasing delivery center capability in US, creating new centers in Europe to cater to client in Europe meeting regulatory requirements. The company has opened offices and centers recently in Sweden/ China/ Poland/ Russia/Hong Kong etc. Increased focus on markets other than US i.e. in Europe, APAC, AMEA region with dedicated hunting and farming teams.
Revenue Concentration Risk (2)	Client concentration - dependence on few customers.	Revenue from Top 5, Top 10 and Top 20 clients have reduced from 42%, 52% and 62% to 36%, 45%, and 56%, respectively. The Company is increasing portfolio of customer contributing > 1 Million revenue a year. The company is managing its top customers well and it can be gauged from the following: – Very long relationship with customers. – Top 5 and 10 customers revenue has grown by 5.5% and 6.6% respectively in FY 2019 compared to FY 2018. – Expansion of client base with high revenue. Customer contributing over USD 1 Mn increased to 129 from 99 in the previous year, between USD 1-5 Mn to 95 from 72, between USD 5-10 Mn to 8 from 18. – Customer satisfaction survey : On a scale of -100 to 100, the Company scored the highest score of 74.4 as against an industry score ranging from 53.6 to 74.4.

Risk	Defining the Risk	Mitigation Strategy
Foreign Currency Risk	The Company earns sizable revenue in foreign currency which exposes it to exchange rate fluctuation risks.	The Company monitors currency movements closely and follows a structured hedging program approved by the Board. The Company has systematic hedging policy approved by the Committee of Board and it has been effective in protecting the risk. As on December 31, 2019, the Company had the following hedges maturing over the course of the next eight quarters: ▪ USD 212.02 mn at an average exchange rate of 74.85 ▪ Euro 6.60 mn at an average exchange rate of 89.02 ▪ GBP 13.60 mn at an average exchange rate of 99.14
Disaster Recovery/ Business Continuity	The Company may be vulnerable to risks due to natural calamities / disasters which may impact business operations and even pose a risk to employee safety.	The Company has a structured business continuity management plan that addresses disruptions at every level of business like city level, country level and even at floor level. The plan framework minimises the impact of outages which includes recovery sites, intra-city redundancies, work from home etc. Business continuity plan was activated during the Chennai events and was successful in minimizing business impact as well as supporting employee safety requirements.
Liquidity Risk	For the Company, the threat to its liquidity could be a risk factor. The liquidity refers to the ability of the Company to meet its cash, collateral and vendor obligations.	It has cash and bank balances including investments in mutual funds (current investment) aggregating to ₹2,528.44 million as on 31st December 2019. The Company has been maintaining efficient cash conversion ratio which is above 68% (cash flow from operations ÷ EBITDA before ESOP cost).
Credit Risk	Large number of revenue transactions are on credit. Default or inability of the client to pay on time will impact the profitability.	The Company has effective receivable management system to maintain the Days Sales Outstanding ratio in a favourable position. DSO ranges from 64 days to 60 days only. Focused review of unbilled revenue to check on long pending item to bill. DSO with unbilled have been in range of 87 to 81 days. The focus has been on adding large and diverse clients to the portfolio, thus minimising the credit risk.
Reputation risk	Negative media coverage and public scrutiny, actions by activist shareholders / analysts may divert the time and attention of our board and management and adversely affect the share price.	To mitigate the Company has adopted following approach (a) Regular screen of media coverage and preemptive response by the senior management. (b) Regular interactions with the shareholders and analysts and provide the relevant information in transparent and timely basis. (c) Separate PR team interacting with the investors and analyst.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Company strictly follows the statute, laws, rules and regulations of the land, which is regularly reviewed by the statutory and internal auditors. The adequate internal control framework identifies and analyses risks and manages appropriate responses. It also ensures stringent compliance across all the business units and departments. The aim behind this is to safeguard the assets, prevent and detect fraud and errors, and also check completeness of accounting records and timely preparations of financial statements. The Audit Committee then reviews the audit observations and takes the required follow-up actions. The Statutory Auditor's Report on the adequacy and effectiveness of internal finance controls has been provided in detail on Page 179 of this Annual Report.

Financial Analysis

The year under review at a glance

Key Numbers for FY 2019

17.1% YoY
Growth in Revenue to
US$ 793.3 million in FY 2019

18.2% YoY
Growth in Revenue in
Constant currency

₹ **55,825** million
Revenue in ₹ terms, registering growth of
20.1% over previous year

US$ **124.8** million
EBITDA (post RSU), registering a
growth of **17.1%** YoY basis

₹ **21.52**
EPS (Basic), registering a growth of
9.5% YoY basis

48%
Dividend payout ratio

₹ **3,054.31** million
(including dividend distribution tax)
Total dividend paid

The Key Financial ratios are already disclosed in Directors reports on Page 30 / Our Performance Scorecard

Consolidated Balance Sheet

1. **Property, plant and equipment (PPE) and intangible assets**

   a) Total additions to PPE and Intangibles was ₹2,962.92 million mainly in buildings of ₹886.26 million largely at Chennai and Pune campus, leasehold improvement ₹60.97 million, plant and machinery including computer of ₹793.01 million, Furniture and office equipment of ₹420.04 million and ₹609.50 million respectively, largely at Chennai, Pune and Mumbai locations and Vehicles of ₹2.57 million. Addition on account of acquisition of Mobiquity were ₹143.54 million.

   b) The additions also includes ₹50.94 million towards software licenses and ₹139.63 million towards customer contracts / relations. Addition on account of acquisition of Mobiquity were ₹2,515.95 million mainly in respect of customer relations and brand being identified intangibles.

c) Capital work in progress (CWIP) stood at ₹863.32 million as at December 31, 2019 compared to ₹2,244.43 million as at December 31, 2018. The CWIP is largely in respect of infrastructure development at Chennai, Mumbai and Pune locations.

d) The Company has provided adequate depreciation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013.

Goodwill and Business Combination

Goodwill recognized in the financials is ₹11,760.88 million in FY 2019 as against ₹1,809.08 million in FY 2018 increase of ₹9,951.80 million. ₹9,581.77 million in on account of acquisition of Mobiquity Inc. During the year, Company acquired Mobiquity Inc. for total consideration of ₹12,612.98 million including deferred and contingent consideration.

Component	₹ Million
Fair value of net assets as on the date of acquisition	3,031.21
Purchase Consideration	12,612.98
Goodwill	9,581.77

2. Investments

a) Investment in Associate represents 20% ownership interest. During the year, the Group has accrued ₹4.10 million (previous year ₹1.66 million) of share in profit of associate using equity method accounting.

b) The Company has invested ₹4.58 million in shares of Beta Wind Farm Limited, a Company engaged in generation of renewable energy. Investment is of strategic nature to avail benefit of renewable energy in Chennai.

c) The Company has invested Nil million (previous year ₹101.28 million) in mutual funds representing part of surplus fund in India.

3. Other financial assets

(₹ million)

	Non-current		Current		Total		Change
	2019	2018	2019	2018	2019	2018	
Interest accrued on bank deposits	0.57	0.93	0.22	0.66	0.79	1.59	(0.80)
Receivable from service provider	-	-	15.49	12.80	15.49	12.80	2.69
Foreign currency derivative assets	49.90	101.43	228.49	94.16	278.39	195.59	82.80
Restricted bank balances	62.90	34.43	-	-	62.90	34.43	28.47
Employee advances (net)	-	-	87.24	52.38	87.24	52.38	34.86
	113.37	**136.79**	**331.44**	**160.00**	**444.81**	**296.79**	**148.02**

a) Increase of ₹82.80 million in foreign currency derivative assets (mark to market gain on forward exchange contracts designated as hedges) due to favourable exchange rate movement as compared to the hedge rate (Refer note 27.3 of consolidated financial for the details of derivative).

b) Employee advance increased by ₹34.86 million mainly representing advance for the travel.

c) Restricted bank balance increased by ₹28.47 million

4. Deferred tax asset

Deferred tax assets (net of deferred tax liability) decreased to ₹1,437.20 million from ₹1,784.14 million, an reduction by ₹346.94 million. The Company records net positions as assets and liabilities based on tax jurisdictions considering rights to offset. Note no. 11 of the Consolidated Financial Statements provides components of assets and liabilities.

5. Income-tax assets (net)

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

a) Non-current portion of income-tax receivables increased to ₹380.14 million in FY 2019 from ₹374.25 million in FY 2018, an increase of ₹5.89 million.

b) Current portion of income-tax receivable increased to ₹131.95 million in FY 2019 from ₹36.39 million in FY 2018, increase of ₹95.56 million.

6. Other assets

(₹ million)

	Non-current		Current		Total		Change
	2019	2018	2019	2018	2019	2018	
Capital Advances	17.41	47.05	-	-	17.41	47.05	(29.64)
Prepaid Expenses relating to leasehold land	527.64	530.30	-	-	527.64	530.30	(2.66)
Other Prepaid Expenses	59.19	131.09	742.77	496.28	801.96	627.37	174.59
Contract Assets	95.11	81.31	59.62	7.16	154.73	88.47	66.26
Indirect taxes recoverable	124.56	112.21	159.52	79.99	284.08	192.20	91.88
Others	-	-	22.47	23.08	22.47	23.08	(0.61)
	823.91	**901.96**	**984.38**	**606.51**	**1,808.29**	**1,508.47**	**299.82**

Other assets increased to ₹1,808.29 million from ₹1,508.47 million, increase by ₹299.82 million mainly on account of following.

a) Increase in other prepaid expenses of ₹174.59 million largely on acquisition of Mobiquity, indirect taxes recoverable by ₹91.88 million and contract assets by ₹66.26 million.

b) Above increase was partially offset by decrease in capital advances by ₹29.64 million.

7. Trade receivables and Unbilled

Trade receivables as at December 31, 2019 stood at ₹9,795.61 million as against balance of ₹8,031 million as at December 31, 2018, increase of ₹1,764.61 million. Day's sales outstanding (DSO) stood at 64 days compared with 60 days at the end of FY 2018.

Unbilled revenue stood at ₹3,535.47 as at December 31, 2019 as compared to ₹2,729.85 as at the end of previous year, increase of ₹805.62 million.

DSO with unbilled stood at 87 days as on 31st December 2019 as against 81 days as on 31st December 2018 (computed based on annual revenues in INR).

8. Cash and cash equivalent and Other bank balances

Cash and cash equivalents aggregate to ₹2,316.43 million as at December 31, 2019, decrease of by ₹5,734.12 million from ₹8,050.55 million as at December 31, 2018.

Other bank balances representing balances held for the unclaimed dividend stood at ₹149.11 million at the end of FY 2019 compared to ₹154.38 million at the end of FY 2018.

Total cash & bank balance including investment in Mutual Fund was at 2,528.44 million as on 31st December 2019 equivalent of US$ 35.42 million.

9. Share Capital

The paid-up share capital of the Company as at December 31, 2019 was ₹596.77 million comprising 298,384,321 Equity Shares of ₹2 each. During the year, 1,023,332 shares were allotted under ESOP plans.

10. Other Equity

Other equity comprises of reserves and surplus and other comprehensive income.

Total other equity increased by ₹3,733.93 million to ₹27,057.86 million as at December 31, 2019 from ₹23,323.93 million as at December 31, 2018.

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

a) The Securities premium balance increased by ₹210.53 million on transfer of ₹210.53 million from stock option outstanding account on exercise of stock options by the employees.

b) Special Economic Zone (SEZ) re-investment reserve – During the year, the Company transferred ₹397.64 million to SEZ reserve from the balance in retained earnings and ₹874.09 million was transferred from the SEZ reserve to the retained earnings being utilization for acquisition of plant and machinery. The closing balance as at December 31,2019 is Nil.

c) Share option outstanding account reduced by ₹183.98 million. During the year the Company recorded ₹26.55 million of stock based compensation in relation to its RSU plans and transferred ₹210.53 million to securities premium on exercise of stock options.

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

e) Retained earnings balance increased by ₹3,665.34 million. Profit for the year was ₹6,413.43 million, other comprehensive loss for the year being part of retained earnings was ₹147.83 million representing actuarial loss net of tax effect thereon.

Dividend distribution during the year was ₹3,054.31 million. During the year, the amount transferred to SEZ re-investment was ₹397.64 million and amount transferred from SEZ re-investment was ₹874.09 million.

f) Capital redemption reserve balance as at December 31, 2019 is ₹11.39 million created in accordance with the provisions of the Companies Act, 2013 in relation to the buy-back of shares in an earlier year.

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

i.) Currency translation reserve is on account of conversion of foreign operations from their functional currency to reporting currency of the Company which is ₹. The balance as at December 31, 2019 is ₹1,779.77 million. The same will be transferred to profit and loss on disposal of foreign operations.

ii.) Hedging reserve balance consist of mark to mark gain on foreign currency forward contracts designated as hedges to hedge the foreign currency risk. The balance as at December 31, 2019 stood at ₹226.06 million net of tax impact as against ₹(14.86) million as at December 31, 2018.

11. Borrowings

Borrowings includes ₹1,430.73 million which is secured term loan for a tenure of 3 years. The loan was obtained to partially fund the acquisition of Mobiquity. The long term portion of the borrowing is ₹1,429.46 million and short term portion is ₹1.27 million.

12. Other financial liabilities

(₹ million)

	Non-current		Current		Total		Change
	2019	2018	2019	2018	2019	2018	
Unclaimed dividend	-	-	149.11	154.38	149.11	154.38	(5.27)
Capital creditors	1.18	-	419.47	74.93	420.65	74.93	345.72
Deposit received from customer	-	-	0.03	0.03	0.03	0.03	-
Employee liabilities	-	-	2,081.96	1,550.17	2,081.96	1,550.17	531.79
Deferred contingent consideration	-	-	3,490.46	-	3,490.46	-	3,490.46
Foreign currency derivative liabilities	31.40	72.95	66.79	135.18	98.19	208.13	(109.94)
Others	12.24	2.69	-	-	12.24	2.69	9.55
	44.82	**75.64**	**6,207.82**	**1,914.69**	**6,252.64**	**1,990.33**	**4,262.31**

Other financial liabilities Increased to ₹6,252.64 million as at December 31, 2019 as compared to balance of ₹1,990.33 million as at December 31, 2018, an increase of ₹4,262.31 million.

The Increase was largely due to

i) Deferred consideration of ₹3,490.46 million representing estimate of consideration payable for the acquisition of Mobiquity. The said deferred consideration is payable in January and October 2020.

ii) increase in capital creditors by ₹345.72 million

iii) increase in employee liabilities by ₹531.79 million largely due to acquisition of Mobiquity.

The Increase was partially offset by decrease in Foreign currency derivative liabilities by ₹109.94 million.

Unclaimed dividend balance has reduced to ₹149.11 million at the end of FY 2019, from ₹154.38 million at the end of FY 2018, an reduction of ₹5.27 million. This balance represents the dividend not claimed by the shareholders for which the Company maintains adequate bank balance specially earmarked in accordance with the provisions of the Companies Act, 2013.

13. Provisions

a) Non-current

It is respect of gratuity liability which Increased to ₹428.40 million as at December 31, 2019 from ₹230.38 million as at December 31, 2018. Increase is on account of service cost the year. The parent Company in India provides gratuity benefits for its employees wherein the plan is funded with the fund balance kept with Life Insurance Corporation of India. The gratuity liability is based on the valuation from the independent actuary.

b) Current

The balance represents the provision towards compensated absences and other short-term employee benefits. The provision increased by ₹139.48 million to ₹824.76 million as at December 31, 2019 compared to balance as at December 31, 2018 of ₹685.28 million.

14. Trade and other payables

Trade and other payables include trade payables and accrued expenses. Total balance as at December 31, 2019 stood at ₹3,949.15 million as compared to ₹3,299.90 million as at December 31, 2019.

The variance was due to increase in trade payables by ₹192.25 million which stood at ₹2,063.37 million as on December 31, 2019 as compared to ₹1,871.12 million as on December 31, 2018.

While, the accrued expenses increased by ₹457 million which stood at ₹1,885.78 million as on December 31, 2019 as compared to ₹1,428.78 million as on December 31, 2018.

15. Other current liabilities

Other current liabilities comprises of advances from customers, unearned revenue and statutory liabilities. As at 2019, it stood at ₹955.93 million as compared to ₹1,014.28 million as at 2018. The change was on account of:

- Advance received from customer as at end of FY 2019 was Nil as compared to ₹190.12 million in FY 2018
- Unearned revenue balance as at end of FY 2019 was ₹341.64 million compared to ₹314.12 million as at FY 2018
- Statutory liability stood at ₹614.29 million in FY 2019 increasing from ₹510.04 million in FY 2018

16. Current tax liability

The current tax liability includes provision for income-taxes, net of advance tax. The balance as at December 31, 2019 decreased to ₹191.16 million as compared to balance of ₹195.85 million as at December 31, 2018.

Consolidated Statement of Profit and Loss

1. Revenue from operations

The revenue from increased by 20.1% YoY basis to ₹55,825.18 million FY 2019 from ₹46,477.62 million in FY 2018. While, in US dollar terms, it registered a growth of 17.1% YoY basis to US$ 793.26 million in FY 2019 from US$ 677.67 million. The revenue in constant currency was US$ 801.30 million, registering a growth of 18.2% over previous year.

2. Other Income

Other income reduced to ₹89.38 million from ₹105.48 million in FY 2018, reduction of ₹16.10 million. The reduction is mainly attributed to write-back of liability no longer required of ₹27.11 million in previous year. The reduction is partially offset by increase in interest income by ₹20.55 million.

3. Exchange rate gain/loss

Exchange rate gain reduced in FY 2019 to ₹192.71 million as compared to ₹471.45 million in FY 2018. The decrease is largely on account of increased gain in FY 2018 due favourable exchange rate movements in FY 2018. In FY 2019, the exchange rate movement has been stable.

4. Software and development expenses

In FY 2019, software and development expense increased to ₹11,826.42 million from ₹10,250.37 million in the previous year, i.e. an increase of 15.4%. As a percentage to sales, these expenses were 21.2% compared to 22.1% in FY 2018.

5. Employee benefit expenses

The employment expenses increased to ₹30,279.28 million from ₹24,799.53 million, an increase of 22.1%.

Ratio of employee cost-to-revenue marginally increased to 54.2% in FY 2019 as against 53.4% in FY 2018. The worldwide employee count including subcontractors was 19,999 as of December 2019, an increase of 3,794 compared to headcount of 16,205 as of December 2018.

In Financial Year 2015, the Company instituted long-term incentive plan in the form of grant of Restricted Stock Units (RSU). The compensation cost recognized using fair value method for these RSU is ₹26.55 million for FY 2019 which is included in employee benefit expenses. The said cost is net of write-back of costs during the year on change in estimate of forfeiture rate.

6. Operations and other expenses

Operations and other expenses increased to ₹4,937.21 million in FY 2019 from ₹4,089.53 million in FY 2018, an increase of 20.7%. Increase was largely on largely on Rent, Travelling, electricity, communication, service charges, repairs and maintenance costs, staff recruitment expenses and business promotions. As a percentage to revenue, these costs were 8.8% in FY 2019 and in FY 2018.

7. Depreciation and amortisation

Depreciation and amortisation expense increased to ₹1,033.53 million in FY 2019 compared to ₹650.55 million in FY 2018, increase of ₹382.98 million largely due to additions of infrastructure at Pune, Chennai and Mumbai campus and computers, software and amortization of intangibles on acquisition.

8. **Exceptional item - Acquisition related costs**

   Total exceptional item is acquisition related cost or ₹168.24 million on account of acquisition of Mobiquity Inc.

9. **Income tax expense**

   The income tax expense for FY 2019 was ₹1,379.24 million as compared to ₹1,431.18 million in FY 2018, showing decrease of ₹51.94 million over previous year. The Effective tax rate decreased to 17.7% compared to 19.7% in previous year mainly on increase exempt incomes from SEZ and benefit of net operation loss of Mobiquity.

10. **Profitability**

    The Companies profit before tax increased to ₹7,792.67 million in FY 2019 as compared to ₹7,265.81 million in FY 2018, increase by 7.3%.

    Profit after tax increased to ₹6,413.43 million in FY 2019 as compared to ₹5,834.63 million in FY 2018, increase by 9.9%. As a percentage to revenue profit before tax reduced to 11.5% in FY 2019 compared to 12.6% in FY 2018.

    EPS-basic increased by ₹1.87 to ₹21.52 for FY 2019 compared to ₹19.65 for FY 2018.

Consolidated cash flow

(₹ million)

	2019	2018
Net cash from operations	5,963.84	5,487.03
Net cash used in investing activities	(9,976.70)	(454.52)
Net cash used in financing activities	(1,688.70)	(2,502.21)
Net increase / Decrease in cash and cash equivalent	(5,701.56)	2,530.30

During the FY 2019, out of the cash used in investing activities of ₹9,976.70 million, ₹8,859.18 million was used in acquisition of Mobiquity and ₹1,296.25 million towards acquisition of property plant and equipment and intangibles. Financing activities was largely towards payment of dividend of ₹3,054.31 million net of borrowing of ₹1,410.53 million.

Net decrease in cash and cash equivalent during the year was by ₹5,701.56 million.

Adoption of Ind AS 115

Effective from 1st January 2019, the company has adopted Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The company has adopted Ind AS 115 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Group is not material. Refer note 20 of consolidated financial statement for the additional disclosures relating to IndAS 115.

CAUTIONARY STATEMENT

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

For and on behalf of the Board

Place : Mumbai
Date : February 11, 2020

Atul K. Nishar
(Chairman)

Independent Auditor's Report

To the Members of
Hexaware Technologies Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the consolidated Ind AS 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") and its associate, which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on the separate financial statements of subsidiary companies and unaudited financial information of certain subsidiaries and an associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 December 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Revenue recognition Revenue from operations is recognised based on the application of the new revenue standard Ind AS 115 - Revenue from Contracts with Customers ('Ind AS 115') which became applicable from 1 January 2019. The standard establishes a comprehensive framework for recognition of revenue. This involves making judgments relating to: ▪ identification of performance obligations; ▪ estimating the transaction price; ▪ allocation of the transaction price to identified performance obligation; and ▪ basis used to recognize revenue. It also prescribes additional disclosure requirements. (Refer Note 20 to the consolidated financial statements.)	**Our key audit procedures included:** ▪ Obtained an understanding of the systems, processes and controls implemented by the Group for recognizing revenue and the associated contract assets and liabilities. ▪ Evaluated the internal controls relating to recording of contract value / rates, capturing of time/ efforts incurred, estimation of unbilled revenue and efforts required to complete the performance obligations, as applicable. ▪ Involved our Information Technology (IT) specialists to assess the design and operating effectiveness of key IT controls related to the revenue process. ▪ On selected sample of contracts, tested revenue recognition. Key procedures included: - evaluating the identification of performance obligations;

The key audit matter	How the matter was addressed in our audit
Due to the variety and nature of contractual terms, judgments involved and nature of disclosures, revenue recognition is a key audit matter.	- considering the terms of the contracts to determine the transaction price; - testing the allocation of transaction price for performance obligations; - testing the unbilled revenue, efforts incurred, estimation of cost to complete; - testing the estimation of onerous obligation; - compare the efforts incurred with estimated efforts and analyse variance. ▪ Assessed the adequacy of disclosures in the consolidated financial statements.
Acquisition accounting During the year, the Hexaware Group acquired 100% equity stake in Mobiquity Inc. for ₹12,612.98 million. As detailed in Note 6 of the consolidated financial statements, goodwill amounting to ₹9,910.10 million and intangible assets amounting to ₹2,515.95 million has been recognized in connection with the acquisition. Significant judgement and estimates are involved in purchase price allocation, identification and fair valuation of intangible assets acquired, allocation of goodwill to cash generating units and recognition of deferred taxes. Given the significance of amount, complexity of judgments and estimates involved acquisition accounting is a key audit matter.	**Our key audit procedures included:** ▪ Read the acquisition and other related contractual arrangements and understood the terms and conditions of the transaction. ▪ Assessed the internal control over identification, measurement and adequacy of disclosure of assets acquired and liabilities assumed (including contingent consideration) in terms of conformity with Ind AS 103, Business Combinations. ▪ Involved our valuation specialists to assess, among other things, the significant assumptions as well as the identification and valuation approaches for the valuation of identified intangible assets and goodwill. ▪ Tested the basis used to allocate goodwill to the respective cash generating units. ▪ Assessed the tax methodology and rates associated with recognition of deferred tax.
Evaluation of uncertain tax positions The Group operates in multiple tax jurisdictions and is subjected to periodic challenges / demands by local tax authorities, on account of tax deductions/ allowance availed by the Group. Such challenges/ demands involve significant use of judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures. Refer Note 11.3 to the consolidated financial statements. Given the inherent complexity and magnitude of potential tax exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	**Our key audit procedures included:** ▪ Obtained details of outstanding tax litigations as at 31 December 2019. ▪ Read and analysed select key correspondences, external legal opinions/ consultations by Group and internal assessment for key uncertain tax positions. ▪ Involved our tax specialists and held inquiry with Group, to ascertain their views and approaches on significant cases, as well as the technical grounds relating to their conclusions based on applicable tax laws. ▪ Our tax specialists also considered legal precedence and other rulings in evaluating the position taken by the Group on such uncertain tax positions. ▪ Assessed Group's estimate of the possible outcome of the disputed cases. ▪ Assessed the adequacy of related disclosures on uncertain tax positions in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon ("Other Information")

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the Holding Company and subsidiary company incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) as well as associate to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 of fifteen (15) subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹6,662.14 million as at 31 December 2019, total revenues (before consolidation adjustments) of ₹12,683.33 million and net cash outflows amounting to ₹1,121.31 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors

(b) The financial information of three (3) subsidiaries whose financial information reflect total assets (before consolidation adjustments) of ₹0.06 million as at 31 December 2019, total revenues (before consolidation adjustments) of ₹ Nil and net cash inflows amounting to ₹0.04 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹4.10 million for the year ended 31 December 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us or by other auditors. These unaudited financial information has been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by sub-sections (3) of Section 143 of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and unaudited financial information of certain subsidiaries and an associate as certified by the Management of the Holding Company, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Holding Company as on 31 December 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Holding Company and subsidiary company incorporated in India is disqualified as on 31 December 2019 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act; and

   f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and unaudited financial information of certain subsidiaries and an associate as noted in the 'Other Matters' paragraph:

   i. the consolidated financial statements disclose the impact of pending litigations as at 31 December 2019 on the consolidated financial position of the Group and its associate - refer Note 31 to the consolidated financial statements;

   ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - refer Note 33 to the consolidated financial statements; and

   iii. the Holding Company or its subsidiary company incorporated in India has been regular in transferring amounts to the Investor Education and Protection Fund, except there was a delay in transferring ₹390,643 by the Holding Company, subsequently transferred during the year ended 31 December 2019;

C. With respect to the matter to be included in the Auditor's report under sub-section (16) of Section 197:

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid / payable during the current year by the Holding Company and such subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act.

   The remuneration paid / payable to any director by the Holding Company and such 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 sub-section (16) of Section 197 which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAH6056

Place : Mumbai
Date : 11 February 2020

Annexure A to the Independent Auditor's Report

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 December 2019, we have audited the internal financial controls with reference to consolidated financial statements of Hexaware Technologies Limited (hereinafter referred to as "the Holding Company") and such subsidiary company incorporated in India under the Companies Act, 2013.

In our opinion and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary incorporated in India, the Holding Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 December 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (SAs), prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under clause (i) of sub-section (3) of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to its subsidiary company incorporated in India and not audited by us, is based on the corresponding reports of the other auditors of such subsidiary company.

Our opinion is not modified in respect of this matter.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAH6056

Place : Mumbai
Date : 11 February 2020

Consolidated Balance Sheet

₹ Million

Particulars	Notes	As at December 31, 2019	As at December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,068.90	3,827.85
Capital work-in-progress - Tangible		863.32	2,244.43
Goodwill	6B	11,760.88	1,809.08
Other intangible assets	7	2,545.64	104.59
Financial assets			
- Investments	8A	29.99	25.89
- Loans - Security deposits	9A	412.00	249.20
- Other financial assets	10A	113.37	136.79
Income tax asset (net)		380.14	374.25
Deferred tax assets (net)	11.3	1,437.20	1,784.14
Other non-current assets	12A	823.91	901.96
Total non-current assets		**24,435.35**	**11,458.18**
Current assets			
Financial assets			
- Investments	8B	-	101.28
- Trade receivables	13	9,795.61	8,031.00
- Unbilled receivables		3,535.47	2,729.85
- Cash and cash equivalents	14A	2,316.43	8,050.55
- Other bank balances	14B	149.11	154.38
- Loans - Security deposits	9B	7.66	6.53
- Other financial assets	10B	331.44	160.00
Current tax assets (net)		131.95	36.39
Other current assets	12B	984.38	606.51
Total current assets		**17,252.05**	**19,876.49**
Total assets		**41,687.40**	**31,334.67**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	596.77	594.72
Other equity		27,057.86	23,323.93
Total equity		**27,654.63**	**23,918.65**
Non-current liabilities			
Financial liabilities			
- Borrowings (secured)	32	1,429.46	-
- Other financial liabilities	16A	44.82	75.64
Provisions - Employee benefit obligations in respect of Gratuity		428.40	230.38
Total non-current liabilities		**1,902.68**	**306.02**
Current liabilities			
Financial liabilities			
- Borrowings (secured)	32	1.27	-
- Trade payables	17	3,949.15	3,299.90
- Other financial liabilities	16B	6,207.82	1,914.69
Other current liabilities	18	955.93	1,014.28
Provisions			
- Employee benefit obligations in respect of compensated absences and others		824.76	685.28
- Others	19	-	-
Current tax liabilities (net)		191.16	195.85
Total current liabilities		**12,130.09**	**7,110.00**
Total liabilities		**14,032.77**	**7,416.02**
Total equity and liabilities		**41,687.40**	**31,334.67**

The accompanying notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Rajesh Mehra
(Partner)
Membership No : 103145

Atul K. Nishar
(Chairman)
(DIN-00307229)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Meera Shankar
(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Place : Mumbai
Dated : 11 February 2020

Consolidated Statement of Profit and Loss

₹ Million

Particulars	Notes	For the year ended December 31, 2019	For the year ended December 31, 2018
INCOME			
Revenue from operations	20	55,825.18	46,477.62
Exchange rate difference (net)		192.71	471.45
Other income	21	89.38	105.48
Total income		**56,107.27**	**47,054.55**
EXPENSES			
Software and development expenses	22	11,826.42	10,250.37
Employee benefits expense	23	30,279.28	24,799.53
Operation and other expenses	24	4,937.21	4,089.53
Finance cost		74.02	0.42
Depreciation and amortisation expense	5, 7	1,033.53	650.55
Total expenses		**48,150.46**	**39,790.40**
Profit before exceptional item, tax and share in profit of associate		**7,956.81**	**7,264.15**
Exceptional item - Acquisition related costs (refer note 6(a))		168.24	-
Profit before tax and share in profit of associate		**7,788.57**	**7,264.15**
Share in profit of associate (Net of tax)		4.10	1.66
Profit before tax		**7,792.67**	**7,265.81**
Tax expense			
- Current		1,538.49	1,713.68
- Deferred charge/(credit)		(159.25)	(282.50)
Total tax expense		**1,379.24**	**1,431.18**
Profit for the year		**6,413.43**	**5,834.63**
Other comprehensive income (OCI):			
i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		(181.96)	41.45
- Income tax relating to items that will not be reclassified to profit or loss		34.13	(8.45)
ii) Items that will be reclassified to profit or loss			
- Net change in fair value of cash flow hedges		201.63	(598.18)
- Exchange differences in translating the financial statements of foreign operations		277.99	569.91
- Income tax relating to items that will be reclassified to profit or loss		39.28	117.49
Total other comprehensive income		**371.07**	**122.22**
Total comprehensive income for the year		**6,784.50**	**5,956.85**
Earnings per share (EPS) (In ₹)			
Basic	25	21.52	19.65
Diluted		21.24	19.31

The accompanying notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

Place : Mumbai
Dated : 11 February 2020

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

Atul K. Nishar
(Chairman)
(DIN-00307229)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
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(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Consolidated Statement of Changes in Equity

A. Equity Share Capital

₹ Million

Particulars	December 31, 2019	December 31, 2018
Outstanding at the beginning of the year	594.72	593.61
Add: On issue of shares during the year	2.05	1.11
Outstanding at the end of the year (Refer note 15)	**596.77**	**594.72**

B. Other Equity

₹ Million

Particulars	Share application money pending allotment	Reserves and Surplus						Other comprehensive income		Total
		Securities premium	Capital reserve	Capital redemption reserve	SEZ Re-investment reserve	Share option outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Cashflow hedge reserve (CFHR)	
Balances as at January 1, 2019	0.42	3,635.69	2.88	11.39	476.45	991.75	2,144.05	14,574.38	1,501.78	(14.86)	23,323.93
Profit for the year	-	-	-	-	-	-	-	6,413.43	-	-	6,413.43
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(147.83)	277.99	240.92	371.08
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,265.60**	**277.99**	**240.92**	**6,784.51**
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	(3,054.31)	-	-	(3,054.31)
Tax benefit on share based compensation	-	-	-	-	-	-	-	(22.40)	-	-	(22.40)
Transfer from SEZ Re-investment reserve	-	-	-	-	(874.09)	-	-	874.09	-	-	-
Transfer to SEZ Re-investment reserve	-	-	-	-	397.64	-	-	(397.64)	-	-	-
Received / transferred on exercise of stock options	(0.42)	210.53	-	-	-	(210.53)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	-	26.55	-	-	-	-	26.55
As at December 31, 2019	**-**	**3,846.22**	**2.88**	**11.39**	**-**	**807.77**	**2,144.05**	**18,239.72**	**1,779.77**	**226.06**	**27,057.86**
Balances as at January 1, 2018	0.61	3,517.94	2.88	11.39	24.08	732.44	2,144.05	11,648.05	931.87	465.83	19,479.14
Profit for the year	-	-	-	-	-	-	-	5,834.63	-	-	5,834.63
Other comprehensive income	-	-	-	-	-	-	-	33.00	569.91	(480.69)	122.22
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,867.63**	**569.91**	**(480.69)**	**5,956.85**

Consolidated Statement of Changes in Equity

B. Other Equity (Contd..)

₹ Million

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income		Total
		Securities premium	Capital reserve	Capital redemption reserve	SEZ Re-investment reserve	Share option outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Cashflow hedge reserve (CFHR)	
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	(2,506.03)	-	-	(2,506.03)
Buy-back of shares	-	-	-	-	-	-	-	-	-	-	-
Shares Issued on exercise of options	-	3.32	-	-	-	-	-	-	-	-	3.32
Tax benefit on Share based compensation	-	-	-	-	-	-	-	17.10	-	-	17.10
Transfer to special economic zone reserve, net	-	-	-	-	749.63	-	-	(749.63)	-	-	-
Transfer from SEZ Re-investment reserve	-	-	-	-	(297.26)	-	-	297.26	-	-	-
Received / transferred on exercise of Stock Options	(0.19)	114.43	-	-	-	(114.43)	-	-	-	-	(0.19)
Compensation related to employee share based payments	-	-	-	-	-	373.74	-	-	-	-	373.74
As at December 31, 2018	**0.42**	**3,635.69**	**2.88**	**11.39**	**476.45**	**991.75**	**2,144.05**	**14,574.38**	**1,501.78**	**(14.86)**	**23,323.93**

Nature and purpose of reserves

(a) 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 .

(b) Capital reserve represent reserve on amalgamation

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

(d) The Special Economic Zone (SEZ) Re-Investment Reserve has been created out of profit of eligible SEZ units as per provisions of section 10AA (1)(ii) of the Income–tax Act, 1961 for acquiring new plant and machinery.

(e) Share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

(f) General reserve represents appropriation of profits by the Company.

(g) Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

Place : Mumbai
Dated : 11 February 2020

For and on behalf of the Board of Directors
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(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Consolidated Statement of Cash Flows

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash Flow from operating activities		
Net Profit before tax	7,792.67	7,265.81
Adjustments for:		
Depreciation and amortization expense	1,033.53	650.55
Employee stock option compensation cost	26.55	373.74
Interest income	(73.81)	(53.26)
Provision for doubtful accounts (net of write back)	28.07	20.12
Debts and advances written off	38.55	15.83
Dividend from investments	(2.93)	(9.73)
Loss/(Profit) on sale of property, plant and equipment (PPE) (net)	1.75	1.69
Exchange rate difference (net) - unrealised	(101.59)	7.09
Interest expense	74.02	0.42
Other income	-	(25.55)
Share in profit of associate	(4.10)	(1.66)
Operating profit before working capital changes	**8,812.71**	**8,245.05**
Adjustments for:		
Trade receivables and other assets	(1,609.58)	(2,382.40)
Trade payables and other liabilities	334.66	1,216.05
Cash generated from operations	**7,537.79**	**7,078.70**
Direct taxes paid (net)	(1,573.95)	(1,591.67)
Net cash from operating activities	**5,963.84**	**5,487.03**
Cash flow from investing activities		
Purchase of PPE, intangibles including CWIP and capital advances	(1,296.25)	(608.68)
Proceeds from sale of property, plant and equipment	(0.09)	3.01
Purchase of investments	(1,115.43)	(3,292.46)
Proceeds from sale/ redemption of investments	1,216.71	3,380.37
Payment for acquisition of business, net of cash acquired (refer note 6(a))	(8,859.18)	-
Dividend from investments	2.93	9.73
Interest received	74.61	53.51
Net cash used in investing activities	**(9,976.70)**	**(454.52)**
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	1.63	4.24
Proceeds from short term borrowing (net)	1.27	-
Proceeds from long term borrowing	1,410.53	-
Interest paid	(47.82)	(0.42)
Dividend paid (including corporate dividend tax)	(3,054.31)	(2,506.03)
Net cash used in financing activities	**(1,688.70)**	**(2,502.21)**

Consolidated Statement of Cash Flows

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Net Increase/(decrease) in cash and cash equivalents	(5,701.56)	2,530.30
Cash and cash equivalents at the beginning of the year	8,050.55	5,147.41
Add: Unrealised loss / (gain) on foreign currency cash and cash equivalents	(32.56)	372.84
Cash and cash equivalents at the end of the year (Refer Note 14A)	2,316.43	8,050.55

Notes:

Non cash transaction:

Liabilities towards deferred consideration (Refer note 6(a))	3,490.46	-

Reconciliation of Long term borrowing:

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Opening balance	-	-
Long term borrowing during the year	1,383.33	-
Adjustment on account of currency translation	46.13	-
Closing balance	**1,429.46**	-

The accompanying notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

Place : Mumbai
Dated : 11 February 2020

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

Atul K. Nishar
(Chairman)
(DIN-00307229)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Meera Shankar
(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Notes to Consolidated Financial Statements

1 Corporate Information

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

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

These financial statements have been prepared in Indian Rupee ₹ which is the functional currency of the Company

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

2.3 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The financial statement of the Group are consolidated on line-by-line basis by adding together like items after eliminating intra group transactions and unrealised gain/loss from such transaction. These financial statements are prepared by applying uniform accounting policies used in Group.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(ii) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss and other comprehensive income of the investee after the acquisition date.

2.4 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

(i) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

Notes to Consolidated Financial Statements

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs/ contract assets are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered. These capitalised costs are armortized over the term of contract.

(ii) Income-tax

The major tax jurisdiction for the Group is India and United States of America, though the Group also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax asset on unrecognised tax benefits. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit (CGU) to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where actual future cash flows are less than expected, a material impairment loss may arise.

(iv) Others

Other areas involving estimates relates to actuarial assumptions used to determine the carrying amount of defined benefit obligation, estimation of fair value of share based payment transactions and useful lives of Property, Plant and Equipment.

2.5 Business Combinations

The Group accounts for its business acquisitions using the acquisition method of accounting. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meets the condition of recognition are recognised at their fair values at the acquisition date.

Fair value of purchase consideration in excess of fair value of net assets acquired is recognised as goodwill. If the fair value of identifiable asset and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests proportionate basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent change in equity of subsidiaries.

Business Combinations arising from transfer of interest in entities that are under common control are accounted on historical cost basis. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of a business (see note 2.5 above) less accumulated impairment losses, if any.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.7 Revenue Recognition

Effective January 1, 2019, the group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the

Notes to Consolidated Financial Statements

cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.7 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended December 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Group is not material.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

In case of contract on time and material basis, transaction-based or volume-based contracts, revenue is recognised when the related services are performed.

In case of fixed price contracts, revenue is 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 year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated. Amount received or billed in advance of services performed are recorded as unearned revenue (Contract liability). Unbilled receivables (Contract assets) represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

Revenues related to fixed-price projects are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

2.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Finance Lease

Assets taken on finance lease are capitalised at lower of present value of the minimum lease payments and the fair value of the leased assets determined at the inception of the lease and liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability so as to achieve a constant periodic rate of interest on the remaining balance of liability.

b) Operating Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expense on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation.

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 profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Items in the statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in Other comprehensive income.

2.10 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

Notes to Consolidated Financial Statements

2.11 Employee Benefits

a) Post-employment benefits and other long term benefit plan

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schmes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.12 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.13 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liablity 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

Notes to Consolidated Financial Statements

to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis

2.14 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined based on the expert technical advice / stipulation of Schedule II of the Act:

Asset Class	Estimated useful Life
Buildings	60 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	3-5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	3-8 years
Vehicles	4 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.15 Intangible assets

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years
Brand	2 years
Customer contracts / relationships	5-7 year

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.16 Impairment

a) Financial assets (other than at fair value)

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 Financial Instrument requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

(i) Goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes to Consolidated Financial Statements

(ii) **Tangible and Intangible assets**

At the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value (i.e.higher of the fair value less cost to sale and the value in use). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.17 Provisions

Provisions are recognised when the Group has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the group will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

2.18 Non derivative financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a) Financial assets and financial liabilities – subsequent measurement

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(v) **Financial liabilities**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

b) Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

2.19 Derivative financial instruments and hedge accounting

The Group enters into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. These instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Group at the inception documents and designates these instruments as cash flow hedges. Accordingly, the Group records the cumulative

Notes to Consolidated Financial Statements

gain or loss arising from change in fair values on effective cash flow hedges in the cash flow hedge reserve within the other comprehensive income until the forecasted transaction occurs. Gain or loss arising from change in fair values of component excluded from the assessment of hedge effectiveness as well as the ineffective portion of the designated hedges and derivative instruments that do not qualify for hedge accounting are recognized immediately in the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, terminated or exercised without replacement or rollover as part of the hedging strategy or when the hedge no longer meets the criteria for hedge accounting, the net cumulative gain or loss recognised in hedging reserve at that time remains in equity and is recognised in profit or loss when the forecasted transaction affects profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is immediately transferred to the profit or loss for the period and is grouped under exchange rate difference.

2.20 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Certain new standards, amendments to standards are not yet effective for annual periods beginning after January 1, 2019, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Group are:

a) Ind AS 116 – Leases

Ind AS 116 replaces the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of Ind AS 116 is annual periods beginning January 1, 2020.

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

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

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

The above amendments are effective from the annual periods beginning January 1, 2020. The Group is currently assessing the impact of adopting the amendments on its financial statements.

Notes to Consolidated Financial Statements

4 Entities to consolidation

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

For the year ended December 31, 2019

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	₹ Million	% of Consolidated	₹ Million	% of Consolidated	₹ Million	% of Consolidated	₹ Million
1	Hexaware Technologies Limited (Parent)	India	77.45%	21,289.15	76.17%	4,886.06	100.00%	74.02	76.44%	4,960.08
	Wholly owned subsidiaries									
1	Hexaware Technologies Inc.	USA	13.67%	3,757.91	14.69%	942.61	-	-	14.53%	942.61
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	0.56%	152.62	0.81%	51.70	-	-	0.80%	51.70
3	Hexaware Technologies UK Ltd	UK	3.42%	940.52	0.51%	32.68	-	-	0.50%	32.68
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	0.84%	231.02	1.48%	94.69	-	-	1.46%	94.69
5	Hexaware Technologies GmbH	Germany	0.42%	115.12	0.33%	21.01	-	-	0.32%	21.01
6	Hexaware Technologies Canada Limited	Canada	-0.03%	(8.42)	0.51%	32.66	-	-	0.50%	32.66
7	Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil	0.00%	-	0.00%	-	-	-	0.00%	-
8	Guangzhou Hexaware Information Technologies Company Limited	China	0.00%	0.22	-0.03%	(2.16)	-	-	-0.03%	(2.16)
9	Hexaware Technologies LLC	Russia	0.15%	41.55	0.06%	3.67	-	-	0.06%	3.67
10	Hexaware Technologies Saudi LLC	Saudi Arabia	0.12%	32.43	0.04%	2.58	-	-	0.04%	2.58
11	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd.)	Romania	0.06%	17.36	-0.44%	(28.35)	-	-	-0.44%	(28.35)
12	Hexaware Technologies Hong Kong Limited	Hong Kong	0.22%	59.84	0.57%	36.81	-	-	0.57%	36.81
13	Hexaware Technologies Nordic AB	Sweden	0.06%	15.25	-0.50%	(31.81)	-	-	-0.49%	(31.81)
14	Digitech Technologies Inc. (closed on September 27, 2018) (Subsidiary of Hexaware Technologies Inc.)	USA	0.00%	-	0.00%	-	-	-	0.00%	-
15	Shanghai Hexaware Information Technologies Company Limited	China	0.00%	1.18	-0.06%	(3.64)	-	-	-0.06%	(3.64)
16	Mobiquity Inc (Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Inc.)	USA	1.53%	420.24	3.91%	250.52	-	-	3.86%	250.52
17	Mobiquity Velocity Solutions, Inc (Subsidiary of Mobiquity Inc.)	USA	0.00%	0.13	0.00%	-	-	-	0.00%	-
18	Mobiquity Velocity Cooperative UA ((Subsidiary of Mobiquity Inc.)	Netherland	0.00%	-	0.00%	-	-	-	0.00%	-
19	Mobiquity BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	1.34%	368.39	3.71%	237.95	-	-	3.67%	237.95
20	Morgan Clark BV (Subsidiary of Mobiquity Velocity Cooperative UA)	Netherland	-0.14%	(38.93)	-2.17%	(139.35)	-	-	-2.15%	(139.35)
21	Mobiquity Softech Private Limited (Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Limied)	India	0.24%	66.62	0.36%	23.22	-	-	0.36%	23.22
22	Montana Merger Sub Inc. (Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019)	USA	0.00%	-	0.00%	-	-	-	0.00%	-
23	Hexaware Technologies South Africa (Pty) Ltd (formed on November 25, 2019, Subsidiary of Hexaware Technologies UK Ltd)	South Africa	0.00%	-	0.00%	-	-	-	0.00%	-
	Associate									
1	Experis Technology Solutions Pte. Ltd. (20% ownership interest by Hexaware Technologies Asia Pacific Pte Limited)	Singapore	0.09%	25.40	0.06%	4.10	-	-	0.06%	4.10
	Total		**100.00%**	**27,487.60**	**100.00%**	**6,414.95**	**100.00%**	**74.02**	**100.00%**	**6,488.97**

Notes to Consolidated Financial Statements

4 Entities to consolidation

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

For the year ended December 31, 2018

	Name of the Entity	Country of Incorporation	Net Assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
			% of Consolidated	₹ Million	% of Consolidated	₹ Million	% of Consolidated	₹ Million	% of Consolidated	₹ Million
1	Hexaware Technologies Limited (Parent)	India	54.63%	13,066.99	79.93%	4,663.57	100.00%	122.22	80.34%	4,785.79
	Wholly owned subsidiaries									
1	Hexaware Technologies Inc.	USA	36.95%	8,839.09	15.28%	891.48	-	-	14.97%	891.48
2	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico	0.49%	116.20	0.71%	41.50	-	-	0.70%	41.50
3	Hexaware Technologies UK Ltd	UK	2.90%	693.65	0.17%	9.96	-	-	0.17%	9.96
4	Hexaware Technologies Asia Pacific Pte Limited	Singapore	3.23%	772.20	4.92%	286.99	-	-	4.82%	286.99
5	Hexaware Technologies GmbH	Germany	1.36%	326.22	0.32%	18.87	-	-	0.32%	18.87
6	Hexaware Technologies Canada Limited	Canada	-0.01%	(3.16)	0.22%	13.08	-	-	0.22%	13.08
7	Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil	-	-	-0.05%	(2.70)	-	-	-0.05%	(2.70)
8	Guangzhou Hexaware Information Technologies Company Limited	China	0.01%	3.27	-0.05%	(2.78)	-	-	-0.05%	(2.78)
9	Hexaware Technologies LLC	Russia	0.14%	32.96	-0.77%	(44.99)	-	-	-0.76%	(44.99)
10	Hexaware Technologies Saudi LLC	Saudi Arabia	0.04%	10.03	-0.08%	(4.95)	-	-	-0.09%	(4.95)
11	Hexaware Technologies Romania SRL (Subsidiary of Hexaware Technologies UK Ltd.)	Romania	0.14%	32.36	-0.72%	(41.79)	-	-	-0.70%	(41.79)
12	Hexaware Technologies Hong Kong Limited	Hong Kong	0.03%	8.30	0.13%	7.85	-	-	0.13%	7.85
13	Hexaware Technologies Nordic AB	Sweden	-0.02%	(4.89)	-0.10%	(5.55)	-	-	-0.09%	(5.55)
14	Digitech Technologies Inc. (closed on September 27, 2018) (Subsidiary of Hexaware Technologies Inc.)	USA	-	-	-	-	-	-	-	-
15	Shanghai Hexaware Information Technologies Company Limited	China	0.02%	4.13	0.04%	2.43	-	-	0.04%	2.43
	Associate									
1	Experis Technology Solutions Pte. Ltd. (20% ownership interest by Hexaware Technologies Asia Pacific Pte Limited)	Singapore	0.09%	21.30	0.03%	1.66	-	-	0.03%	1.66
	Total		**100.00%**	**23,918.65**	**100.00%**	**5,834.63**	**100.00%**	**122.22**	**100.00%**	**5,956.85**

Notes to Consolidated Financial Statements

5 Property, Plant and Equipment (PPE)

PPE consist of the following:

₹ Million

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total
COST								
At January 1, 2019	0.15	3,030.10	2,423.76	785.97	18.87	1,293.50	152.00	7,704.35
Additions	-	886.26	793.01	420.04	2.57	609.50	60.97	2,772.35
Additions on acquisition (Refer note 6(a)	-	-	87.08	21.58	-	18.69	16.19	143.54
(Disposals) / adjustments	-	(2.87)	(102.96)	(15.03)	(0.93)	(4.43)	-	(126.22)
Translation exchange difference	-	-	18.74	3.94	0.04	3.91	6.59	33.22
At December 31, 2019	**0.15**	**3,913.49**	**3,219.63**	**1,216.50**	**20.55**	**1,921.17**	**235.75**	**10,527.24**
ACCUMULATED DEPRECIATION								
At January 1, 2019	-	363.57	1,885.10	554.53	14.00	945.05	114.25	3,876.50
Charge for the year	-	57.78	337.38	91.11	2.83	147.77	32.99	669.86
(Disposals) / adjustments	-	(0.42)	(92.03)	(15.03)	(0.93)	(3.97)	-	(112.38)
Translation exchange difference	-	-	14.30	2.64	0.04	2.56	4.82	24.36
At December 31, 2019	**-**	**420.93**	**2,144.75**	**633.25**	**15.94**	**1,091.41**	**152.06**	**4,458.34**
NET CARRYING AMOUNT								
At December 31, 2019	**0.15**	**3,492.56**	**1,074.88**	**583.25**	**4.61**	**829.76**	**83.69**	**6,068.90**
COST								
At January 1, 2018	**0.15**	**2,728.57**	**2,127.42**	**742.67**	**19.63**	**1,239.95**	**136.00**	**6,994.39**
Additions	-	301.53	313.39	62.59	-	67.19	9.61	754.31
(Disposals)	-	-	(36.35)	(29.08)	(0.92)	(17.43)	(5.54)	(89.32)
Translation exchange difference	-	-	19.30	9.79	0.16	3.79	11.93	44.97
At December 31, 2018	**0.15**	**3,030.10**	**2,423.76**	**785.97**	**18.87**	**1,293.50**	**152.00**	**7,704.35**
ACCUMULATED DEPRECIATION								
At January 1, 2018	**-**	**310.85**	**1,642.28**	**520.53**	**12.09**	**837.62**	**90.70**	**3,414.07**
Charge for the year	-	52.72	260.98	55.36	2.67	122.29	21.19	515.21
(Disposals)	-	-	(33.68)	(27.20)	(0.92)	(17.28)	(5.54)	(84.62)
Translation exchange difference	-	-	15.52	5.84	0.16	2.42	7.90	31.84
At December 31, 2018	**-**	**363.57**	**1,885.10**	**554.53**	**14.00**	**945.05**	**114.25**	**3,876.50**
NET CARRYING AMOUNT								
At December 31, 2018	**0.15**	**2,666.53**	**538.66**	**231.44**	**4.87**	**348.45**	**37.75**	**3,827.85**

Note:

i) Plant and machinery includes computer systems

ii) Buildings includes office premises taken on finance lease of gross value amounting to ₹345.47 million and ₹345.47 million as at December 31, 2019 and December 31, 2018, respectively and net carrying value amounting to ₹251.42 million and ₹257.17 million as at December 31, 2019 and December 31, 2018, respectively.

6 Goodwill

a Business combination

The Group on June 13, 2019 acquired 100% equity in Mobiquity Inc. and its subsidiaries (together referred to as Mobiquity).

The business combination was conducted by entering into Agreement and Plan of Merger to acquire equity interest in Mobiquity Inc. Further, Company entered into Share Transfer Agreement to acquire equity interest in Mobiquity Softech Private Limited, a subsidiary in India.

Mobiquity Inc. is headquartered in the US, and with a global presence across 3 continents, Mobiquity is a customer experience consulting firm that specializes in creating frictionless multi-channel digital experiences using cloud technologies.

The Company is expected to leverage Mobiquity's capability in customer experience transformation and cloudification. Further the Company is expected to benefit from Mobiquity's customer base in multiple vertical including Banking & Financial services and Healthcare & Insurance verticals.

Notes to Consolidated Financial Statements

6 Goodwill (Contd..)

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

Component	₹ Million
Property plant and equipment	143.54
Cash and cash equivalents	375.14
Trade and other receivables	989.44
Other assets	173.97
Other liabilities	(649.03)
Intangible assets- Customer relationships	2,361.23
Intangible assets- Brand	154.72
Deferred tax liability	(517.80)
Fair value of net assets as on the date of acquisition	**3,031.21**
Purchase Consideration	12,612.98
Goodwill	**9,581.77**
Revaluation as on date	328.33
Goodwill	**9,910.10**

Details of the purchase consideration is as below:

	₹ Million
Initial upfront cash consideration	9,233.67
Fair value of deferred consideration payable by January 09, 2020	2,070.60
Fair value of contingent consideration payable by October 8, 2020	1,308.71
Total Purchase consideration	**12,612.98**

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

The Goodwill represents assembled workforce and expected synergies from the combined operations and it is not expected to be tax deductible.

Had the acquisition occurred on January 1, 2019, management estimates that the group's consolidated revenue would have been ₹58,512.69 million and profits would have been ₹6,440.59 million for the year ended December 31, 2019. The proforma amounts are not necessarily indicative of results that would have been occurred if acquisition occurred on dates indicated or that may result in the future. The transaction costs of ₹168.24 million has been included in the statement of profit and loss account and shown as an exceptional item. Considering the aforesaid business combination, the financials for the year ended and as at December 31, 2019 are not comparable with that of the previous year.

b Goodwill :

₹ Million

	Total
As at January 1, 2018	1,656.29
Translation exchange rate difference	152.79
As at December 31, 2018	**1,809.08**
On acquisition during the year (Refer note 6 (a) above)	9,581.77
Translation exchange rate difference	370.03
As at December 31, 2019	**11,760.88**

Notes to Consolidated Financial Statements

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

₹ Million

CGUs	December 31, 2019	December 31, 2018
T&T	1,177.54	200.72
BFS	4,533.20	773.37
H&I	2,295.45	322.96
HTPS	1,720.49	235.09
M & C	2,034.20	276.95
Total	**11,760.88**	**1,809.08**

Goodwill is tested for impairment on an annual basis. The recoverable amount is higher of its fair value less costs of disposal and its value in use. Considering the assumptions below, there was no impairment as of December 31, 2019.

The estimated value in use of CGUs is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 11.9%. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the sensitivity of the computation to a combined change in key parameters (gross margin, discount rates and growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

7 Other intangible assets

Other intangible assets consist of the following:

₹ Million

Particulars	Brand	Software licenses	Customer Contracts/Relations	Total
COST				
At January 1, 2019	-	678.91	-	678.91
Additions	-	50.94	139.63	190.57
Additions on acquisition (Refer note 6(a)	154.72	-	2,361.23	2,515.95
Adjustments	-	61.25	-	61.25
Translation exchange difference	5.30	3.75	101.52	110.57
At December 31, 2019	**160.02**	**794.85**	**2,602.38**	**3,557.25**
ACCUMULATED AMORTISATION				
At January 1, 2019	**-**	**574.32**	**-**	**574.32**
Amortisation for the year	55.69	67.52	240.46	363.67
Adjustments	-	51.08	(2.01)	49.07
Translation exchange difference	0.83	3.57	20.15	24.55
At December 31, 2019	**56.52**	**696.49**	**258.60**	**1,011.61**
NET CARRYING AMOUNT				
At December 31, 2019	**103.50**	**98.36**	**2,343.78**	**2,545.64**
COST				
At January 1, 2018	**-**	**594.75**	**141.87**	**736.62**
Additions	-	76.48	-	76.48
Disposals	-	-	(130.19)	(130.19)
Translation exchange difference	-	7.68	(11.68)	(4.00)
At December 31, 2018	**-**	**678.91**	**-**	**678.91**
ACCUMULATED AMORTISATION				
At January 1, 2018	**-**	**494.07**	**65.49**	**559.56**
Amortisation for the year	-	74.21	61.14	135.35
Disposals	-	-	(116.02)	(116.02)
Translation exchange difference	-	6.04	(10.61)	(4.57)
At December 31, 2018	**-**	**574.32**	**-**	**574.32**
NET CARRYING AMOUNT				
At December 31, 2018	**-**	**104.59**	**-**	**104.59**

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

Notes to Consolidated Financial Statements

8 Investments

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Non-current investments in equity shares (unquoted)		
Investment in associate		
250,000 shares of USD 1/- each in Experis Technology Solutions Pte. Ltd.	25.41	21.31
Other investments		
At fair value through other comprehensive Income		
240,958 equity shares of ₹10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	29.99	**25.89**
B Current investments in mutual funds (unquoted)		
At fair value through profit or loss account		
Mutual fund units	-	101.28

9 Loans (Unsecured, considered good)

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Non-current		
Security deposits for premises and others (a)	412.00	249.20
B Current		
Security deposits for premises and others	7.66	6.53

(a) Exclude deposits aggregating ₹34.56 million and ₹34.56 million impaired basis the expected credit loss model as of December 31, 2019 and December 31, 2018 respectively.

10 Other financial assets (unsecured) (considered good)

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Non-current		
Interest accrued on bank deposits	0.57	0.93
Foreign currency derivative assets	49.90	101.43
Restricted bank balances (a)	62.90	34.43
	113.37	**136.79**
(a) Restriction on account of bank deposits held as margin money.		
B Current	**As at December 31, 2019**	**As at December 31, 2018**
Interest accrued on bank deposits	0.22	0.66
Receivable from service provider	15.49	12.80
Foreign currency derivative assets	228.49	94.16
Employee advances	87.24	52.38
	331.44	**160.00**

11 Income taxes

11.1 Income tax expense is allocated as follows :

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Income tax expense as per the Statement of Profit and Loss	1,379.24	1,431.18
Income tax included in OCI / Equity on:		
a) Net change in fair value of cash flow hedges	(39.28)	(117.49)
b) Remeasurement of defined benefit plan	(34.13)	8.45
c) Recognised in equity in relation to stock based compensation	22.40	(17.10)
	1,328.23	**1,305.04**

Notes to Consolidated Financial Statements

11.2 The reconciliation of estimated income tax expense at the Indian statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Profit before income-tax	7,792.67	7,265.81
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	2,723.07	2,538.96
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(1,148.72)	(1,049.82)
Tax effect of non-deductible expenses	39.82	100.67
Tax rate differential at different jurisdictions	(207.24)	(156.82)
Others, net	(27.68)	(1.81)
Income tax expense recognised in the Statement of Profit and Loss	**1,379.24**	**1,431.18**

Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In India, substantial part of operations is carried from units in Special Economic Zones notified by the Government which also benefit from the tax exemptions. These units are eligible for the deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits or gains for a further five years. 50 percent tax benefit is also available for a further period of five years subject to the unit meeting defined conditions of further investments. In respect of certain jurisdictions,where the income tax year is different from the accounting year, provision for current tax is made on the basis of income for the respective accounting year, which will be adjusted considering the total assessable income for the tax year.

11.3 Components of deferred taxes as at:

₹ Million

Particulars	January 1, 2018	Recognised in profit or loss	Recognised in OCI *	Recognised in equity	December 31, 2018	On Acquisition	Recognised in profit or loss	Recognised in OCI *	Recognised in equity	December 31, 2019
Deferred tax assets										
Credit loss on Trade receivables	24.92	9.84	0.82	-	35.58	-	8.23	0.34	-	44.15
Brought forward losses	-	-	-	-	-	161.51	-	5.53	-	167.04
Employee benefit obligations	321.17	(9.39)	20.83	-	332.61	-	16.58	6.31	-	355.50
Provision for severance pay	2.54	(2.55)	0.01	-	-	-	-	-	-	-
Minimum alternate tax credit carry forward	1,233.77	248.39	-	-	1,482.16	-	153.96	-	-	1,636.12
Share based payment	56.66	42.04	8.26	17.10	124.06	-	(48.03)	3.12	(22.40)	56.75
Unrealised loss on cash flow hedges	-	-	0.89	-	0.89	-	-	39.28	-	40.17
Others	6.79	0.78	0.66	-	8.23	-	3.05	0.21	-	11.49
Total	**1,645.85**	**289.11**	**31.47**	**17.10**	**1,983.53**	**161.51**	**133.79**	**54.79**	**(22.40)**	**2,311.22**
Deferred tax liabilities										
Unrealised gain (net) on cash flow hedges	116.59	-	(116.59)	-	-	-	-	-	-	-
Depreciation	193.72	6.61	(0.94)	-	199.39	-	38.69	(0.31)	-	237.77
Intangible Assets	-	-	-	-	-	679.31	(64.16)	21.10	-	636.25
Total	**310.31**	**6.61**	**(117.53)**	**-**	**199.39**	**679.31**	**(25.47)**	**20.79**	**-**	**874.02**
Net deferred tax asset	**1,335.54**	**282.50**	**149.00**	**17.10**	**1,784.14**	**(517.80)**	**159.26**	**34.00**	**(22.40)**	**1,437.20**

*Including in foreign currency translation reserve

(a) Deferred tax liability on temporary differences of ₹1,241 million as at December 31, 2019, associated with investments in subsidiaries, has not been recognized as it is the intention of the parent company to reinvest the earnings of these subsidiaries for the foreseeable future.

(b) There are unused tax credits as at December 31, 2019 aggregating to ₹332.31 million (₹234.06 as at December 31, 2018) for which no deferred tax asset is recognized in the Balance sheet.

(c) There are unused tax losses amounting to ₹1,332.16 million (December 31, 2018 ₹ Nil) for which no deferred tax asset has been recognized as it is not considered probable that there will be future taxable profits available. If these tax losses not utilized would expire on various dates starting from FY 2031.

Notes to Consolidated Financial Statements

12 Other assets (unsecured)

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Non-current		
Capital advances	17.41	47.05
Contract asset (Refer note 20.4)	95.11	81.31
Prepaid expenses relating to leasehold land*	527.64	530.30
Other prepaid expenses	59.19	131.09
Indirect taxes recoverable	124.56	112.21
	823.91	**901.96**

*includes unamortized lease premium in respect of one parcel of leasehold land allotted to the Company at Nagpur for which the final lease agreement is being executed amounting to ₹78.95 million and ₹79.87 million as at Decemmber 31, 2019 and December 31, 2018, respectively

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
B Current		
Contract asset (Refer note 20.4)	59.62	7.16
Prepaid expenses	742.77	496.28
Indirect taxes recoverable	159.52	79.99
Others	22.47	23.08
	984.38	**606.51**

13 Trade Receivables (unsecured)

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Considered good	9,795.61	8,031.00
Considered doubtful	178.20	129.22
Less: Credit impaired	(178.20)	(129.22)
	9,795.61	**8,031.00**

The Group's credit period generally ranges from 30-60 days.

The age wise breakup of trade receivables, net of impairment is given below:

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Not due	5,756.42	4,302.66
Due less than 180 days (*)	3,917.91	3,642.17
Due greater than 180 days (**)	121.28	86.17
	9,795.61	**8,031.00**
* Net of impairment loss of ₹31.43 Million (Previous year 18.37 Million)		
**Net of impairment loss of ₹146.77 Million (Previous year 110.85 Million)		
Movement in Credit loss		
Balance at the beginning of the year	129.22	102.71
Expense for the year	148.73	126.03
Amounts recovered during the year	(104.17)	(106.92)
Written-off during the year/Exchange rate difference	4.42	7.40
Balance at the end of the year	**178.20**	**129.22**

Notes to Consolidated Financial Statements

14 Cash and bank balances

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Cash and cash equivalents		
Remittance in transit	85.61	3.21
Cash in hand	0.04	-
In current accounts with banks	2,152.90	7,962.06
Bank deposit accounts with less than 3 months maturity	77.88	85.28
Unclaimed dividend accounts	149.11	154.38
Margin money with banks	62.90	34.43
	2,528.44	**8,239.36**
Less: Restricted bank balances	(212.01)	(188.81)
	2,316.43	**8,050.55**
B Other bank balances		
Restricted bank balances in respect of unclaimed dividend	149.11	154.38
	149.11	**154.38**

15 Equity Share Capital

₹ Million

(except per share data)

Particulars	As at December 31, 2019	As at December 31, 2018
15.1 Authorised capital		
525,000,000 Equity shares of ₹2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of ₹1,421 each	1,563.10	1,563.10
15.2 Issued, subscribed and paid-up capital		
Equity shares of ₹2 each, fully paid-up	596.77	594.72
15.3 Reconciliation of number of shares		
Shares outstanding at the beginning of the year	297,360,989	296,803,757
Add: Shares issued during the year	1,023,332	557,232
Shares outstanding at the end of the year	**298,384,321**	**297,360,989**

15.4 Rights, preferences and restrictions attached to equity shares

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

15.5 Details of shares held by holding company and shareholders holding more than 5% shares

Name of shareholder		As at December31,2019	As at December31,2018
HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held	186,318,590	186,318,590
	% of holding	62.44%	62.66%
HDFC Trustee Company Ltd.	No. of shares held	19,927,531	19,274,031
	% of holding	6.68%	6.48%

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

15.7 Shares reserved for issue under options

The Group has granted employee stock options under ESOP 2002, 2007 and 2008 schemes and restricted stock units (RSU's) under the ESOP 2008 and 2015 scheme. Each option/RSU entitles the holder to one equity share of ₹2 each. 7,824,439 options / RSU's were outstanding as on December 31, 2019 (8,687,324 as on December 31, 2018).

15.8 The dividend per share recognised as distribution to equity shareholders during the year ended December 31, 2019 was ₹8.50 per share (year ended December 31, 2018 ₹7.00 per share)

Notes to Consolidated Financial Statements

16 Other financial liabilities

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
A Non-current		
Capital creditors	1.18	-
Foreign currency derivative liabilities	31.40	72.95
Others	12.24	2.69
	44.82	**75.64**
B Current		
Unclaimed dividend	149.11	154.38
Capital creditors	419.47	74.93
Deferred consideration (Refer note 6(a))	3,490.46	-
Employee liabilities	2,081.96	1,550.17
Foreign currency derivative liabilities	66.79	135.18
Others	0.03	0.03
	6,207.82	**1,914.69**

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2019

17 Trade and other payables

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Trade payables	2,063.37	1,871.12
Accrued expenses	1,885.78	1,428.78
	3,949.15	**3,299.90**

18 Other liabilities

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Current		
Advance from customers	-	190.12
Unearned revenues	341.64	314.12
Statutory liabilities	614.29	510.04
	955.93	**1,014.28**

19 Provisions - Others

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Provision at the beginning of the year	-	7.67
Paid during the year	-	(6.14)
Adjusted during the year	-	(1.53)
Provision at the end of the year	**-**	**-**

Above provision was towards expenditure relating to employee benefit obligations on contract acquisition.

20 Revenue from operations

20.1 The disaggregated revenue with the customers for the year ended 31 December 2019 by contract type:

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Onshore	62%	65%
Offshore	38%	35%
Total revenue from operations	**100%**	**100%**

Notes to Consolidated Financial Statements

20.2 The revenue from contracts as per geography for the year ended 31 December 2019 is disclosed under Note 30.2 (a)

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

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Contracted price	57,078.57	47,675.03
Reductions towards variable consideration components (discounts, rebate)	(1,253.39)	(1,197.41)
Revenue recognised	**55,825.18**	**46,477.62**

20.4 Deferred contract cost

Deferred contract cost represents the contract fulfilment cost. The below table discloses the movement in deferred contract cost:

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	88.47	-
Cost capitalised during the year	100.25	92.08
Deduction on account of cost amortised during the year	(34.00)	(3.61)
Balance at the end of the year (Refer note 12)	**154.72**	**88.47**

20.5 Changes in unearned revenue are as follows:

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	314.12	217.99
Addition on account of Acquisition	37.46	-
Revenue recognised during the year	(279.40)	(188.09)
Addition during the year	269.46	284.22
Balance at the end of the year	**341.64**	**314.12**

20.6 Transaction price allocated to the remaining performance obligations

₹ Million

Particulars	As at December 31, 2019
Within 1 year	6,031.84
More than 1 year	9,385.73

The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to change in transaction price.

20.7 Refer note 30.3 for information on customer exceeding 10% of total revenue.

21 Other income

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Dividend	2.93	9.73
Interest income	73.81	53.26
Profit on sale of property, plant and equipment (net)	(1.75)	(1.69)
Liability no longer required written back	0.28	27.39
Miscellaneous income	14.11	16.79
	89.38	**105.48**

Notes to Consolidated Financial Statements

22 Software and development expenses

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Software expenses*	9,746.73	8,429.58
Other expenses	2,079.69	1,820.79
	11,826.42	**10,250.37**
*includes sub- contracting charges	8,675.88	7,870.92

23 Employee benefits expense

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Salary and allowances	26,572.39	21,397.42
Contribution to provident, other funds and benefits	2,926.74	2,484.72
Staff welfare expenses	753.60	543.65
Employee stock option compensation cost	26.55	373.74
	30,279.28	**24,799.53**

23.1 Employee benefit plans

i) Provident Fund and Superannuation Fund and other similar funds

a) In respect of employees in India

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In respect of the Company's employees enrolled with the Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'), the Company pays a part of the contributions to the Trust. The remaining portion of Company's contribution in respect of such employees and entire contribution in respect of other employees is contributed to the Government administered Employee Provident and Pension Fund.

The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has accordingly provided a valuation and based on the fund position and assumptions mentioned below, the amount of ₹109.80 million has been recognised as Acturial loss for the year December 31, 2019.

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Present value of benefit obligation	4,234.02	3,447.03
Fair value of plan assets	4,124.22	3,447.03
Expected Investment return	8.47%	8.43%
Remaining term of maturities of plan assets	6.19 years	5.95 years
Expected guaranteed interest rates	8.65%	8.55%

Certain employees of the Company are entitled to benefits under the superannuation plan, a defined contribution plan. The Company makes quarterly contributions under the superannuation plan to LIC based on a specified percentage of each covered employees salary and recognises such contributions as an expense when incurred and has no further obligation to the plan beyond such contributions.

During the year, the Group has recognized expenses towards contributions to provident fund and other funds and superannuation funds of ₹497.66 million (Previous year ₹389.15 million) and ₹17.00 million (Previous year ₹14.15 million), respectively.

b) The Group, during the year contributed ₹965.28 million (Previous year ₹810.69 million) towards various other defined contributions plans and benefits of subsidiaries located outside India as per laws of the respective country.

Notes to Consolidated Financial Statements

23.2 Employee benefit plans

ii) Gratuity Plan

The Company makes annual contribution to the Employee's Company Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. Vesting occurs on completion of specified years of service

The following table sets out the status of the gratuity plan for the year ended December 31:

₹ Million

Particulars	2019	2018
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**717.73**	**659.05**
Current service cost	142.23	140.56
Interest cost	47.63	46.76
- Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	35.46	15.25
- Actuarial loss/(gains) arising from change in demographical assumptions	3.22	(53.77)
- Actuarial loss/(gains) arising on account of experience changes	62.08	(16.72)
Benefits paid	(65.97)	(73.40)
Closing defined benefit obligation	**942.37**	**717.73**
Change in the Fair Value of Assets		
Opening fair value of plan assets	**563.90**	**549.78**
Interest on plan assets	40.10	42.34
Remeasurement due to actual return on plan assets less interest on plan assets	28.59	(13.79)
Contribution by employer	32.42	58.97
Benefits paid	(65.97)	(73.40)
Closing fair value of plan assets	**599.04**	**563.90**
Net liability as per actuarial valuation	**343.33**	**153.83**
Expense charged to statement of profit and loss:		
Current service cost	142.23	140.56
Net interest on defined benefit plan	7.53	4.41
Total Included in Employment expenses	**149.75**	**144.97**
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	35.46	15.25
- changes in demographical assumptions	3.22	(53.77)
- Experience adjusments	62.08	(16.72)
- Actual return on plan assets less interest on plan assets	(28.59)	13.79
Total amount recognised in other comprehensive income	**72.16**	**(41.45)**
Actual return on plan assets	**68.69**	**28.55**
Category of assets -Insurer Managed Fund#	**599.04**	**563.90**

#Since the investments are held in the form of deposit with the LIC, these are not volatile, the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.

The Company is expected to contribute ₹100 million to gratuity funds in the year ending 31st December, 2019.

Financial assumptions at the valuation date	2019	2018
Discount rate	6.60%	7.25%
Rate of increase in compensation levels of covered employees*	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.25%	7.25%

*The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.

Notes to Consolidated Financial Statements

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

Impact on defined benefit obligation	As at December 31, 2019		As at December 31, 2018	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Increase in 50 bps	-2.92%	3.03%	-2.70%	2.82%
Decrease in 50 bps	3.08%	-2.90%	2.84%	-2.71%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity profile	₹ Million
Year 1	138.43
Year 2	126.15
Year 3	119.42
Year 4	115.17
Year 5	106.96
Year 6	94.54
Year 7	95.69
Year 8	83.56
Year 9	83.11
Thereafter	542.07

The weighted average duration to the payment of these cash flows is 5.99 years.

24 Operation and Other Expenses

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Rent	617.86	444.95
Rates and taxes	47.31	54.54
Travelling and conveyance	1,126.27	930.46
Electricity charges	304.05	249.22
Communication expenses	334.40	265.39
Repairs and maintenance	599.03	526.31
Printing and stationery	56.86	37.30
Payment to Auditors	34.81	29.72
Legal and professional fees	260.24	249.89
Advertisement and business promotion	393.04	330.10
Bank and other charges	29.19	24.83
Directors' sitting fees	1.78	2.39
Insurance charges	68.66	60.07
Debts and advances written off	38.55	15.83
Provision for doubtful accounts (net of write back)	28.07	20.12
Staff recruitment expenses	242.32	176.88
Service charges	491.90	404.90
Miscellaneous expenses	262.87	266.63
	4,937.21	**4,089.53**

Notes to Consolidated Financial Statements

25 Earnings per share (EPS)

The components of basic and diluted EPS:

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Net profit after tax (₹ Million)	6,413.43	5,834.63
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,038,633	296,930,534
Basic earnings per share (In ₹)	21.52	19.65
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,038,633	296,930,534
Add : Effect of dilutive issue of stock options (Nos.)	3,861,769	5,245,943
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	301,900,401	302,176,477
Diluted earnings per share (In ₹)	21.24	19.31
Par value per share (In ₹)	2.00	2.00

26 Related party disclosures

Names of related parties

Ultimate Holding Company and it's subsidiaries

Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding entity) (control exists)
The Baring Asia Private Equity Fund V, LP, Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius

Holding Company (control exists)

HT Global IT Solutions Holdings Limited, Mauritius

Associate

Experis Technology Solutions Pte Ltd., Singapore

Key Management Personnel (KMP)

Executive Director and CEO

R. Srikrishna

Non-executive directors

Atul K Nishar
Kosmas Kalliarekos
Jimmy Mahtani
Dileep Choksi (Retired on October 16, 2019)
Bharat Shah (Retired on October 16, 2019)
P R Chandrasekar
Meera Shankar
Christian Oecking (Retired on June 25, 2019)
Basab Pradhan (Retired on June 8, 2019)

₹ Million

Transactions	For the year ended December 31, 2019	For the year ended December 31, 2018
Associate		
Software and consultancy income	167.24	133.24
Remuneration to KMP and directors		
Short term employee benefits	86.96	92.31
Post employment benefits	1.96	5.52
Share based payment	52.33	51.90
Commission and other benefits to non-executive directors	33.20	43.16

Notes to Consolidated Financial Statements

26 Related party disclosures (Contd..)

₹ Million

Closing balances	For the year ended December 31, 2019	For the year ended December 31, 2018
Receivables from associate	57.67	49.83
Payable to / provision for KMP	49.42	74.31

27 Financial Instruments

27.1 The carrying value / fair value of financial instruments (other than investment in associate) by categories is as follows:

₹ Million

December 31, 2019	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	2,316.43	-	-	-	2,316.43
Other bank balances	149.11	-	-	-	149.11
Trade receivables	9,795.61	-	-	-	9,795.61
Unbilled receivables	3,535.47	-	-	-	3,535.47
Loans	419.66	-	-	-	419.66
Other financial assets	166.42	-	-	278.39	444.81
Investments in equity shares	-	-	4.58	-	4.58
	16,382.70	**-**	**4.58**	**278.39**	**16,665.67**
Borrowings	1,430.73	-	-	-	1,430.73
Deferred consideration	3,490.46	-	-	-	3,490.46
Trade payables	3,949.15	-	-	-	3,949.15
Other financial liabilities	2,663.99	-	-	98.19	2,762.18
	11,534.33	**-**	**-**	**98.19**	**11,632.52**

27.1 The carrying value / fair value of financial instruments (other than investment in associate) by categories is as follows:

₹ Million

December 31, 2018	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
Cash and cash equivalents	8,050.55	-	-	-	8,050.55
Other bank balances	154.38	-	-	-	154.38
Investments in mutual fund units	-	101.28	-	-	101.28
Trade receivables	8,031.00	-	-	-	8,031.00
Unbilled receivables	2,729.85	-	-	-	2,729.85
Loans	255.73	-	-	-	255.73
Other financial assets	101.20	-	-	195.59	296.79
Investments in equity shares	-	-	4.58	-	4.58
	19,322.71	**101.28**	**4.58**	**195.59**	**19,624.16**
Trade payables	3,299.90	-	-	-	3,299.90
Other financial liabilities	1,782.20	-	-	208.13	1,990.33
	5,082.10	**-**	**-**	**208.13**	**5,290.23**

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

Notes to Consolidated Financial Statements

27.2 Fair value hierarchy

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

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

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

Level 3 inputs are unobservable inputs for the asset or liability

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

₹ Million

December 31, 2019	Level I	Level II	Level III	Total
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	278.39	-	278.39
	-	278.39	4.58	282.97
Derivative financial liabilities	-	98.19	-	98.19

₹ Million

December 31, 2018	Level I	Level II	Level III	Total
Mutual fund units	101.28	-	-	101.28
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	195.59	-	195.59
	101.28	195.59	4.58	301.45
Derivative financial liabilities	-	208.13	-	208.13

Valuation Technique

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

27.3 Financial risk management

The Group has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Group has formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

In year 2019, Americas contributed 75.64% (year 2018 - 77.55%) 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.

46.69% of the revenue of the year is generated from top 10 clients (previouse year - 51.70%). 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.

Notes to Consolidated Financial Statements

Credit risk

Since most of Groups transactions are done on credit, the Group is exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose the Group to credit risk and can impact profitability. Group's maximum credit exposure is in respect of trade receivables of ₹9,795.61 million and ₹8,031.00 million as at December 31, 2019 and December 31, 2018, respectively and unbilled receivables of ₹3,535.47 miillion and ₹2,729.85 million as at December 31, 2019, December 31, 2018, respectively.

The Group has adopted an effective receivable management system to control the Days' Sales Outstanding (DSO). Refer Note No 13 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 10 customer dues (including unbilled receivables) contribute 40.48% of the total outstanding as at December 31, 2019 (47.76% as at December 31, 2018).

Cash and cash equivalents and mutual funds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies. The investment in liquid mutual fund units are measured at fair value through profit and loss.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations is one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of Rupee appreciation which is functional currency of the Company vis-a-vis the US Dollar, the Euro and other foreign currencies, as largely, the costs incurred are in Indian ₹ and the revenue/ inflows are in foreign currencies. The contracts the company enters into with our customers tend to run across several years and many of these contracts are at fixed rates, therefore any appreciation in the Indian rupee vis-à-vis foreign currencies will affect margins.

The Foreign Exchange Risk Management Policy authorized by the Forex Committee of the Board 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 Company.

The following table analyses foreign currency risk from financial instruments as at December 31, 2019:

₹ Million

Particulars	USD	EUR	GBP	Others*
Net financial assets	5,959.47	596.88	836.40	778.43
Net financial liabilities	183.08	462.26	487.80	147.61
Net assets/(liabilities)	5,776.38	134.61	348.59	630.82

The following table analyses foreign currency risk from financial instruments as at December 31, 2018:

₹ Million

Particulars	USD	EUR	GBP	Others*
Net financial assets	6,263.18	447.77	460.34	403.43
Net financial liabilities	79.54	134.61	3.17	11.81
Net assets/(liabilities)	**6,183.64**	**313.16**	**457.17**	**391.62**

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company and its subsidiaries would result in the increase/ decrease in Group's profit before tax approximately by ₹689.04 million and ₹734.56 million for the year ended December 31, 2019 and December 31, 2018, respectively.

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

The Group uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies.

The Group had outstanding hedging instrument in the form of foreign currency forward contracts as at:

₹ Million

Currency hedged (Sell contracts)	As at December 31, 2019	As at December 31, 2018
USD	212.02	162.12
Euro	6.60	5.84
GBP	13.60	11.32

Notes to Consolidated Financial Statements

27.3 Financial risk management (Contd..)

The weighted average forward rate for the hedges outstanding as at December 31, 2019 is ₹74.85, ₹89.02 and ₹99.14 (As at December 31, 2018 ₹71.83, ₹88.22 and ₹98.70) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

10% depreciation/appreciation of the respective foreign currencies with respect to closing exchange rate would result in the increase/ decrease in Group's other comprehensive income approximate by ₹207.79 million and ₹149.56 million for the year ended December 31, 2019 and December 31, 2018 respectively.

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

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	(14.86)	465.83
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(111.49)	(145.59)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	313.13	(452.59)
Less : Deferred tax on CFHR	39.28	117.49
Balance at the end of the year	**226.06**	**(14.86)**

There were no material hedge ineffectiveness for the year ended December 31, 2019 and December 31, 2018.

Liquidity risk

The Group needs continuous access to funds to meet short and long term strategic investments. The Group's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Group's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Group has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2019, the Group had total cash, bank balance and investments of ₹2,528.44 million (as at December 31, 2018 ₹8,340.64 million) which constitutes approximately 6.07% (previouse year 26.62%) of total assets.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

₹ Million

As at December 31, 2019	Less than 1 year	1-5 years	Total
Trade and other payables	3,949.15	-	3,949.15
Derivative financial liabilities (Refer note 16)	66.79	31.40	98.19
Borrowings (secured)	1.27	1,429.46	1,430.73
Others (Refer note 16)	6,141.03	13.42	6,154.45
Total	**10,158.24**	**1,474.28**	**11,632.52**

₹ Million

As at December 31, 2018	Less than 1 year	1-5 years	Total
Trade and other payables	3,299.90	-	3,299.90
Derivative financial liabilities (Refer note 16)	135.18	72.95	208.13
Others (Refer note 16)	1,779.51	2.69	1,782.20
Total	**5,214.59**	**75.64**	**5,290.23**

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

1% increase/ decrease in LIBOR rate would result in the increase/ decrease in Group's profit before tax approximately by ₹7.51 million and Nil for the year ended December 31, 2019 and December 31, 2018 respectively.

Capital management

The Group's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares.

Notes to Consolidated Financial Statements

28 Lease

The Group takes on lease offices space and accommodation for its employees under various operating leases. The lease term ranges between 1 year to 9 year with option to renew. The lease rentals towards operating lease agreements recognised in the Consolidated Statement of Profit and Loss for the year are ₹617.86 million (Previous year ₹444.95 million).

The future minimum lease payments and payment profile of the non-cancellable operating leases as at December 31:

₹ Million

Currency hedged (Sell contracts)	As at December 31, 2019	As at December 31, 2018
Not later than one year	649.09	392.67
Later than one year and not later than five years	2,100.84	1,014.44
Later than five years	1,004.53	946.63
Total	**3,754.47**	**2,353.74**

29 Employee share based compensation

29.1 The Remuneration and Compensation Committee ('Committee') of the Company administers the stock options plans viz. ESOP 2007, 2008 and 2015 plan. Under the plans, the employees of the Company as well as its subsidiaries are granted options/ Restricted Stock Units (RSU) entitling them to one equity share of ₹2/- each for each option granted. Exercise price is the market price of the shares of the Company at the grant date or the price determined by the Committee. During the year, the Company extended the vesting period (at an option of the RSU holder) by one year for the certain RSU's holders, The modification did not have material impact. The Options / RSU's vest over a period of 1 to 6 years from the date of grant on the basis of service period and/or achievement of performance conditions. The maximum time available to exercise upon vesting is 6 years.

29.2 The particulars of number of options/RSU's granted and lapsed under the aforementioned:

	ESOP - 2007		ESOP - 2008		ESOP - 2015		Total	
	Options (nos.)	Weighted avg. ex. price per option (₹)	RSU's (nos.)	Weighted avg. ex. price per option (₹)	RSU's (nos.)	Weighted avg. ex. price per option (₹)	Options/ RSU's (nos.)	Weighted avg. ex. price per option (₹)
Outstanding as at the beginningof the year	-	-	**25,04,955**	**2.00**	**61,82,369**	**2.00**	**86,87,324**	**2.00**
	(1,79,250)	(66.07)	(29,04,239)	(2.00)	(65,83,746)	(2.00)	(96,67,235)	(3.19)
Granted during the year	-	-	-	-	**18,27,746**	**2.00**	**18,27,746**	**2.00**
	(-)	(-)	(-)	(-)	(6,13,725)	(2.00)	(6,13,725)	(2.00)
Exercised during the year	-	-	**1,89,450**	**2.00**	**8,33,882**	**2.00**	**10,23,332**	**2.00**
	(51,000)	(67.07)	(2,31,214)	(2.00)	(2,75,018)	(2.00)	(5,57,232)	(7.96)
Lapsed during the year	-	-	**4,69,789**	**2.00**	**11,97,510**	**2.00**	**16,67,299**	**2.00**
	(1,28,250)	(65.67)	(1,86,670)	(2.00)	(7,21,484)	(2.00)	(10,36,404)	(9.88)
Outstanding as at the end of theyear	-	-	**18,45,716**	**2.00**	**59,78,723**	**2.00**	**78,24,439**	**2.00**
	(-)	(-)	(24,86,355)	(2.00)	(62,00,969)	(2.00)	(86,87,324)	(2.00)
Exercisable as at the end of theyear	-	-	**1,61,820**	**2.00**	**6,68,482**	**2.00**	**8,30,302**	**2.00**
	(-)	(-)	(51,150)	(2.00)	(5,03,191)	(2.00)	(5,54,341)	(2.00)

The weighted average share price on the date of exercise of options / RSU during the year was ₹349.68 and ₹428.89 for the year ended December 31, 2019 and December 31, 2018 respectively.

*Previous year figures are gven in brackets

Notes to Consolidated Financial Statements

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

Range of exercise price	As at December 31, 2019		As at December 31, 2018	
	Options/ RSU's (Nos)	Life	Options/ RSU's (Nos)	Life
2.00	78,24,439	32	86,87,324	30
Total	**78,24,439**		**86,87,324**	

29.4 The fair values of RSU's granted in year 2019 and 2018 are determined using Black Scholes Option pricing model using following principal assumptions:

Particulars	2019	2018
Weighted Average fair value (₹)	343.93	413.44
Weighted Average share price (₹)	369.20	448.57
Dividend Yield (%)	2.16 - 2.48	1.59 - 2.25
Expected Life (years)	1.39 - 5.85	2.50-5.85
Risk free interest rate (%)	5.97 - 7.22	7.09- 8.28
Volatility (%)	35.24 - 41.16	33.60- 38.00

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

30 Segment disclosures

30.1 The reportable business segments have been identified taking into account the services offered to customers globally operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by below business. The Group's organization structure reflects the industry segmentation. Following are the business segments:

(i) Travel and Transportation (T & T)
(ii) Banking and financial services (BFS)
(iii) Healthcare and Insurance (H & I)
(iv) High-Tech & Professional Services (HTPS)
(v) Manufacturing and Consumer (M & C)

Segment results for the year ended December 31, 2019

₹ Million

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	5,589.40	21,517.68	10,895.79	8,166.61	9,655.70	55,825.18
Expenses	(4,531.95)	(19,084.73)	(8,793.46)	(6,765.34)	(7,867.43)	(47,042.91)
Segment profit	**1,057.45**	**2,432.95**	**2,102.33**	**1,401.27**	**1,788.27**	**8,782.27**
Less: Depreciation and amortisation						(1,033.53)
Add: Exchange rate differences						192.71
Add: Other income						89.38
Less: Interest expense						(74.02)
Less: Exceptional item - Acquisition related costs						(168.24)
Add: Share in net profit of associate						4.10
Profit before tax						**7,792.67**
Less: Tax expense						(1,379.24)
Profit after tax						**6,413.43**

Notes to Consolidated Financial Statements

Segment results for the year ended December 31, 2018

₹ Million

	T & T	BFS	H & I	HTPS	M & C	Total
Revenue	5,156.64	19,868.87	8,297.23	6,039.65	7,115.23	46,477.62
Expenses	(4,010.90)	(17,228.57)	(6,920.02)	(5,224.91)	(5,755.03)	(39,139.43)
Segment profit	**1,145.74**	**2,640.30**	**1,377.21**	**814.74**	**1,360.20**	**7,338.19**
Less: Depreciation and amortisation						(650.55)
Add: Exchange rate differences						471.45
Add: Other income						105.48
Less: Interest expense						(0.42)
Less: Share in net profit of associate						1.66
Profit before tax						**7,265.81**
Less: Tax expense						(1,431.18)
Profit after tax						**5,834.63**

30.2 Geographic disclosures

(a) The Group's primary source of revenue is from customers in Americas region (primarily USA) and Europe region.

₹ Million

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Americas	42,225.03	36,042.93
Europe	8,537.21	5,920.95
APAC	5,062.94	4,513.74
Total	**55,825.18**	**46,477.62**

(b) The information regarding geographical non-current assets is as follows:

₹ Million

Particulars	As at December 31, 2019	As at December 31, 2018
Americas	11,201.41	1,902.80
Europe	1,159.21	186.20
APAC	10,249.17	7,180.32
Total	**22,609.79**	**9,269.32**

30.3 Customer information

Customer accounting for the revenue in excess of 10% of the Group revenue:

₹ Million

Customer	Segment	As at December 31, 2019	As at December 31, 2018
Customer A	BFS	-	6,120.56
Customer B	HTPS	6,594.89	4,957.34
Customer C	BFS	-	4,949.28

All of above are categorised in Americas geography.

Notes to Consolidated Financial Statements

31 Contingent liabilities and Commitments

Contingent liabilities

a. Claims not acknowledged as debt amounts to ₹28.14 million (₹28.14 million as on December 31, 2018), being a claim from landlord of a premise occupied by the Company in an earlier year. The Company is confident of successfully contesting the aforesaid matter and does not expect any outflow on this count.

b. Claims for taxes on income where Company is in appeal

Income tax demands of ₹9.59 million (₹9.59 million as on December 31, 2018) have been raised in respect of assessments completed in earlier year, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merit, expects favourable outcome. Accordingly, no provision against such demand is considered necessary.

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

Commitments

c. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) as at December 31, 2019 is ₹171.51 million (As at December 31, 2018 ₹390.50 million). For lease contract related commitment Refer note 28.

32 Borrowings

The non current borrowing represents LIBOR based term loan from a bank repayable at the end of 3 years.

The current borrowing represents LIBOR based working capital facility repayable on demand.

Both the above borrowing are secured by way of charge on the current assets of Hexaware Technologies Inc.

33 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

34 Material events after Balance Sheet date

There is no significant event after reporting date which requires amendments or disclosure to these consolidated financial statements except the matter mentioned below:

The Board of Directors, at its meeting held on February, 11, 2020 have propsed final dividend of ₹2.50/- per equity share (125%). This would result in cash outflow of ₹745.96 million excluding corporate dividend tax. Corporate dividend tax would be as applicable at the time of payment, will be paid out.

35 Approval of the financial statements

The consolidated financial statements were approved for issue by the Board of Directors on February 11, 2020.

Standalone Financial Statements

Independent Auditor's Report

To the Members of
Hexaware Technologies Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Hexaware Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 December 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters which in our professional judgment were of most significance in our audit of the standalone financial statements. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Revenue recognition	
Revenue from operations is recognised based on the application of the new revenue standard Ind AS 115 - Revenue from Contracts with Customers ('Ind AS 115') which became applicable from 1 January 2019. The standard establishes a comprehensive framework for recognition of revenue. This involves making judgments relating to: ▪ identification of performance obligations; ▪ estimating the transaction price; ▪ allocation of the transaction price to identified performance obligation; and ▪ basis used to recognize revenue. It also prescribes additional disclosure requirments (Refer note 18 to the standalone Financial Statments.) Due to the variety and nature of contractual terms, judgments involved and nature of disclosures, revenue recognition is a key audit matter.	**Our key audit procedures included:** ▪ Obtained an understanding of the systems, processes and controls implemented by the Company for recognizing revenue and the associated contract assets and liabilities. ▪ Evaluated the internal controls relating to recording of contract value / rates, capturing of time/ efforts incurred, estimation of unbilled revenue and efforts required to complete the performance obligations, as applicable. ▪ Involved our Information Technology (IT) specialists to assess the design and operating effectiveness of key IT controls related to the revenue process. ▪ On selected sample of contracts, tested revenue recognition. Key procedures included: - evaluating the identification of performance obligations; - considering the terms of the contracts to determine the transaction price;

The key audit matter	How the matter was addressed in our audit
	- testing the allocation of transaction price for performance obligations; - testing the unbilled revenue, efforts incurred, estimation of cost to complete; - testing the estimation of onerous obligation; - compare the efforts incurred with estimated efforts and analyse variance. ▪ Assessed the adequacy of disclosures in the standalone financial statements.
Evaluation of uncertain tax positions	
The Company operates in multiple tax jurisdictions and is subjected to periodic challenges / demands by local tax authorities, on account of tax deductions/ allowance availed by the Company. Such challenges/ demands involve significant use of judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures. Refer Note 7 to the standalone financial statements. Given the inherent complexity and magnitude of potential tax exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	**Our key audit procedures included:** ▪ Obtained details of outstanding tax litigations as at 31 December 2019. ▪ Read and analysed select key correspondences, external legal opinions/ consultations by Company and internal assessment for key uncertain tax positions. ▪ Involved our tax specialists and held inquiry with Company, to ascertain their views and approaches on significant cases, as well as the technical grounds relating to their conclusions based on applicable tax laws. ▪ Our tax specialists also considered legal precedence and other rulings in evaluating the position taken by the Company on such uncertain tax positions. ▪ Assessed Company's estimate of the possible outcome of the disputed cases. ▪ Assessed the adequacy of related disclosures on uncertain tax positions in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by sub-sections (3) of Section 143 of the Act, we report that:

      a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

      b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 December 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2019 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act; and

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations as at 31 December 2019 on its financial position - refer Note 31 to the standalone financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer Note 33 to the standalone financial statements; and

iii. the Company has been regular in transferring amounts to the Investor Education and Protection Fund, except there was a delay in transferring ₹390,643, subsequently transferred during the year ended 31 December 2019.

(C) With respect to the matter to be included in the Auditor's Report under sub-section (16) of Section 197:

In our opinion and according to the information and explanations given to us, the remuneration paid / payable by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid / payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under sub-section (16) of Section 197 which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAI7604

Place : Mumbai
Date : 11 February 2020

'Annexure A' to the Independent Auditor's Report

on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2019

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

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets, by which all the items of fixed assets are covered in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of examination of the records, the title deeds and lease agreements, as applicable, of immovable properties, as disclosed in Note 4 and included in Note 10A to the standalone financial statements relating to leasehold land, are held in the name of the Company, except as disclosed in footnote to Note 10A to the standalone financial statements.

(ii) The Company is a service company primarily engaged in providing information technology and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made and guarantees given. The Company had not granted any loan or security to the parties covered under the provisions of Section 185 and 186 of the Act. Accordingly, compliance under section 185 and 186 of the Act in respect of pending loan or securities are not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Professional tax, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of wealth tax, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues were in arrears as at 31 December 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, except as mentioned below, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or Value added tax and other material statutory dues which have not been deposited with appropriate authorities on account of disputes:

Name of the Act	Nature of Dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.10	Financial year 2008-09	Assessing Officer
Income Tax Act, 1961	Income Tax	2.76	Financial year 2010-11	Commissioner of Income Tax (Appeals)

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution, bank or Government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any material instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAI7604

Place : Mumbai
Date : 11 February 2020

‘Annexure B’ to the Independent Auditor’s Report

on the standalone financial statements of Hexaware Technologies Limited for the year ended 31 December 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Hexaware Technologies Limited (“the Company”) as of 31 December 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to 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.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAAAI7604

Place : Mumbai
Date : 11 February 2020

Standalone Balance Sheet

(₹ Million)

Particulars	Notes	As at December 31, 2019	As at December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,717.85	3,682.17
Capital work-in-progress - Tangible		871.92	2,253.03
Other intangible assets	5	102.90	92.87
Financial assets			
- Investments	6A	2,300.49	1,899.32
- Loans-Security deposits	8A	343.47	227.29
- Other financial assets	9A	58.24	107.77
Income tax asset (net)		380.14	374.13
Deferred tax assets (net)	7C	1,549.07	1,388.99
Other non-current assets	10A	777.28	786.24
Total non-current assets		**12,101.36**	**10,811.81**
Current assets			
Financial assets			
- Investments	6B	-	101.28
- Trade receivables	11	6,543.12	5,363.53
- Cash and cash equivalents	12A	670.22	1,320.47
- Other bank balances	12B	149.11	154.38
- Unbilled receivables		1,947.56	1,448.45
- Loans-Security deposits	8B	1.82	1.78
- Other financial assets	9B	740.63	506.95
Other current assets	10B	439.64	285.14
Total current assets		**10,492.10**	**9,181.98**
Total assets		**22,593.46**	**19,993.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	596.77	594.72
Other equity		18,916.32	16,776.08
Total equity		**19,513.09**	**17,370.80**
Non-current liabilities			
Financial liabilities			
- Other financial liabilities	14A	34.75	75.64
Other non-current Liabilities	16A	16.90	-
Provisions - Employee benefit obligations towards gratuity		410.89	218.79
Total non-current liabilities		**462.54**	**294.43**
Current liabilities			
Financial liabilities			
- Trade payables			
(i) Dues of micro and small enterprises	32	13.34	2.08
(ii) Others	15	872.92	796.56
- Other financial liabilities	14B	1,078.29	809.62
Other current liabilities	16B	298.80	411.79
Provisions			
- Employee benefit obligations towards compensated absences and others		271.84	217.40
- Others	17	-	-
Current tax liabilities (net)		82.64	91.11
Total current liabilities		**2,617.83**	**2,328.56**
Total liabilities		**3,080.37**	**2,622.99**
Total equity and liabilities		**22,593.46**	**19,993.79**

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached

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

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

Rajesh Mehra
(Partner)
Membership No : 103145

Atul K. Nishar
(Chairman)
(DIN-00307229)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Meera Shankar
(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Place : Mumbai
Dated : 11 February 2020

Standalone Statement of Profit and Loss

(₹ Million except EPS)

Particulars	Notes	For year ended December 31, 2019	For year ended December 31, 2018
INCOME			
Revenue from operations	18	21,409.11	17,940.25
Exchange rate difference (net)		336.53	516.82
Other Income	19	28.67	24.95
Total income		**21,774.31**	**18,482.02**
EXPENSES			
Software and development expenses	20	1,066.59	672.88
Employee benefits expense	21	11,435.12	9,461.57
Operation and other expenses	22	2,565.90	2,335.38
Interest - others		0.42	0.28
Depreciation and amortisation expense	4,5	609.91	494.07
Total expenses		**15,677.94**	**12,964.18**
Profit before tax Before exceptional items		**6,096.37**	**5,517.84**
Less: Exceptional items (Acquisition related cost)		5.21	-
Profit before tax		**6,091.16**	**5,517.84**
Tax expense			
Current		1,136.63	1,232.74
Deferred Charge/ (credit)		(120.80)	(244.49)
Total tax expense		**1,015.83**	**988.25**
Profit for the year		**5,075.33**	**4,529.59**
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(181.96)	41.45
Income tax relating to items that will not be reclassified to profit or loss		34.13	(8.45)
ii) Items that will be reclassified to profit or loss			
Net change in fair value of cash flow hedges		201.63	(598.18)
Income tax relating to items that will be reclassified to profit or loss		39.28	117.49
Total other comprehensive income / (loss)		**93.08**	**(447.69)**
Total comprehensive income for the year		**5,168.41**	**4,081.90**
Earnings per share (in ₹)			
Basic	24	17.03	15.25
Diluted		16.81	14.99

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

Place : Mumbai
Dated : 11 February 2020

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

Atul K. Nishar
(Chairman)
(DIN-00307229)

Jimmy Mahtani
(Vice Chairman)
(DIN-00996110)

R. Srikrishna
(CEO & Executive Director)
(DIN-03160121)

Kosmas Kalliarekos
(Director)
(DIN-03642933)

Meera Shankar
(Director)
(DIN-06374957)

P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Standalone Statement of Changes in Equity

A. Equity Share Capital

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Outstanding at the beginning of the year	594.72	593.61
Issued during the year	2.05	1.11
Outstanding at the end of the year	596.77	594.72

B. Other Equity

(₹ Million)

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income	Total
		Securities Premium	Amalgamation Reserve	Special Economic Zone Re-investment Reserve	Share options outstanding account	Capital Redemption Reserve	General reserve	Retained Earnings	Cashflow Hedge Reserve (CFHR)	
Balances as at January 1, 2019	0.42	3,635.69	4.38	476.46	991.75	11.39	2,117.71	9,553.14	(14.86)	16,776.08
Profit for the year	-	-	-	-	-	-	-	5,075.33	-	5,075.33
Other comprehensive income	-	-	-	-	-	-	-	(147.83)	240.92	93.09
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,927.50**	**240.92**	**5,168.42**
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(3,054.31)	-	(3,054.31)
Transfer from special economic zone reserve	-	-	-	(874.10)	-	-	-	874.10	-	-
Transfer to special economic zone reserve	-	-	-	397.64	-	-	-	(397.64)	-	-
Received / transferred on exercise of stock options	(0.42)	210.53	-	-	(210.53)	-	-	-	-	(0.42)
Compensation related to employee share based payments	-	-	-	-	26.55	-	-	-	-	26.55
As at December 31, 2019	**-**	**3,846.22**	**4.38**	**-**	**807.77**	**11.39**	**2,117.71**	**11,902.79**	**226.06**	**18,916.32**
Balances as at January 1, 2018	0.61	3,517.94	4.38	24.08	732.44	11.39	2,117.71	7,948.96	465.83	14,823.34
Profit for the year	-	-	-	-	-	-	-	4,529.59	-	4,529.59
Other comprehensive income	-	-	-	-	-	-	-	33.00	(480.69)	(447.69)
Total comprehensive income for the year							**-**	**4,562.59**	**(480.69)**	**4,081.90**

Standalone Statement of Changes in Equity

(₹ Million)

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income	Total
		Securities Premium	Amalgamation Reserve	Special Economic Zone Re-investment Reserve	Share options outstanding account	Capital Redemption Reserve	General reserve	Retained Earnings	Cashflow Hedge Reserve (CFHR)	
Cash dividend paid (including dividend tax)	-	-	-	-	-	-	-	(2,506.03)	-	(2,506.03)
Buy-back of shares	-	-	-	-	-	-	-	-	-	-
Shares Issued on exercise of Options	-	3.32	-	-	-	-	-	-	-	3.32
Tax benefit on share based compensation	-	-	-	-	-	-	-	-	-	-
Transfer to special economic zone reserve	-	-	-	749.63	-	-	-	(749.63)	-	-
Transfer from special economic zone reserve	-	-	-	(297.25)	-	-	-	297.25	-	-
Received / transferred on exercise of stock options	(0.19)	114.43	-	-	(114.43)	-	-	-	-	(0.19)
Compensation related to employee share based payments	-	-	-	-	373.74	-	-	-	-	373.74
As at December 31, 2018	**0.42**	**3,635.69**	**4.38**	**476.46**	**991.75**	**11.39**	**2117.71**	**9,553.14**	**(14.86)**	**16,776.08**

Description of component of Other equity

a) 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 .

b) Capital reserve represent reserve on amalgamation

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

d) The Special Economic Zone Re-Investment Reserve has been created out of profit of eligible SEZ units as per provisions of section 10AA (1)(ii) of the Income–tax Act, 1961 for acquiring new plant and machinery.

e) Share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

f) General reserve represents appropriation of profits by the Company.

g) Retained earnings comprise of the accumulated undistributed earnings.

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

Place : Mumbai
Dated : 11 February 2020

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

Atul K. Nishar
(Chairman)
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(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Standalone Statement of Cash Flow

(₹ Million)

Particulars	For year ended December 31, 2019	For year ended December 31, 2018
Cash Flow from operating activities		
Net Profit before tax	6,091.16	5,517.84
Adjustments for:		
Depreciation and amortization expense	609.91	494.07
Employee stock option compensation cost	(3.35)	**207.83**
Interest income	(15.84)	(5.64)
Provision for doubtful accounts (net of writeback)	13.87	2.83
Debts and advances written off	-	5.47
Dividend from current investments	(2.93)	(9.73)
Loss/(Profit) on sale of property, plant and equipments (PPE) and intagible assets (net)	1.73	(0.03)
Provision for impairment in the value of investment	-	132.79
Exchange rate difference (net) - unrealised	0.84	**6.76**
Interest expense	0.42	0.28
Operating profit before working capital changes	**6,695.81**	**6,352.47**
Adjustments for:		
Trade receivables and other assets	(2,047.48)	(2,204.82)
Trade payables and other liabilities	123.10	433.42
Cash generated from operations	**4,771.43**	**4,581.07**
Direct taxes paid (net)	(1,116.98)	(1,188.12)
Net cash from operating activities	**3,654.45**	**3,392.95**
Cash flow from investing activities		
Purchase of PPE, Intangible assets and CWIP including advances	(973.50)	(548.69)
Interest received	16.79	5.87
Purchase of current investments	(1,115.43)	(3,292.46)
Proceeds from sale/ redemption of current Investments	1,216.71	3,380.37
Investment in subsidiaries	(401.17)	(3.71)
Dividend from current investments	2.93	9.73
Proceeds from sale of PPE	2.91	2.70
Net cash used in investing activities	**(1,250.76)**	**(446.19)**
Cash flow from financing activities		
Proceeds from issue of shares / share application money (net)	1.63	4.24
Interest paid	(0.42)	(0.28)
Dividend paid (including corporate dividend tax)	(3,054.31)	(2,506.03)
Net cash used in financing activities	**(3,053.10)**	**(2,502.07)**
Net increase / (decrease) in cash and cash equivalents	(649.41)	444.69
Cash and cash equivalents at the beginning of the year	1,320.47	882.53
Unrealised gain on foreign currency cash & cash equivalents	(0.84)	(6.75)
Cash and cash equivalents at the end of the year (Refer note 12A)	670.22	**1,320.47**

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date attached

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

Rajesh Mehra
(Partner)
Membership No : 103145

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

Atul K. Nishar
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P. R. Chandrasekar
(Director)
(DIN-02251080)

Vikash Kumar Jain
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Place : Mumbai
Dated : 11 February 2020

Notes to Standalone Financial Statements

1 Corporate Information

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

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of Preparation

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair values as explained in the accounting policies below.

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

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

2.3 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

2.3.1 Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reliably estimated.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Contract fulfilment costs/contract asset are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.3.2 Income-tax

The major tax jurisdiction for the Company is India though the Company also files tax returns in overseas jurisdictions.

Notes to Standalone Financial Statements

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments and deferred tax on unrecognised tax benefits. Tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.3.3 Others

Other areas involving estimates relates to actuarial assumptions used to determine the carrying amount of defined benefit obligation, estimation of fair value of share based payment transactions and useful lives of Property Plant and Equipment.

2.4 Revenue Recognition

Effective January 1, 2019, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted and it continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended December 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is not material.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

In case of contract on time and material basis, transaction-based or volume-based contracts, revenue is recognised when the related services are performed.

In case of fixed price contracts, revenue is recognized using percentage of completion method. The Company uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated. Amount received or billed in advance of services performed are recorded as unearned revenue (Contract liability). Unbilled receivables (Contract assets) represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

Revenues related to fixed-price projects are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

2.5 Leases

Leases are classified as finance leases whenever the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Finance Lease

Assets taken on finance lease are capitalised at lower of present value of the minimum lease payments and the fair value of the leased assets determined at the inception of the lease and liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability so as to achieve a constant periodic rate of interest on the remaining balance of liability.

b) Operating Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expense on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation.

2.6 Functional and presentation currency

Foreign currency

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected.

Notes to Standalone Financial Statements

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 profit or loss, except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.

2.8 Employee Benefits

a) Post-employment benefits and other long term benefit plan

Payments to defined contribution retirement schemes are recognised as an expense when the employees have rendered service entitling them to such benefits.

For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognized in the other comprehensive income in respect of defined benefit schmes and in the statement of profit and loss in respect of other long term benefit plans in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of plan amendment. The retirement benefit liability recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and / or reduction in future contributions to the scheme.

The service cost (including past service cost as well as gains and losses on settlement and curtailments) and net interest expenses or income is recognised as employee benefits expense in the profit or loss.

b) Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

2.9 Share based compensation

Equity settled share based payments to employees and directors are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period based on periodic estimate of the equity instruments that will eventually vest, with the corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest with the impact of revision recognised in the profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share option outstanding account.

2.10 Taxes on Income

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates after taking credit for tax relief available for export operations in Special Economic Zone (SEZ).

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits, except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the

Notes to Standalone Financial Statements

deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

2.11 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation

Depreciation is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of Schedule II to the Act.

Asset Class	Estimated useful Life
Buildings	60 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	3-5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	3-8 years
Vehicles	4 years

Improvement to Leasehold Premises are amortised over the lease period or useful life of an asset whichever is lesser.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.12 Intangible assets

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Following table summarises the nature of intangibles and the estimated useful lives.

Asset Class	Estimated useful Life
Software licenses	3 years
Customer contracts / relations	5-7 years

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

2.13 Impairment

a) Financial assets (other than at fair value)

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109, "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets except for investments, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. In case of

Notes to Standalone Financial Statements

Investments, the Company periodically reviews its carrying value of investments for indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b) Non-financial assets

Tangible and Intangible assets

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value (i.e. higher of the fair value less cost to sale and the value in use). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.14 Provisions

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.

2.15 Non derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A Financial assets and financial liabilities – subsequent measurement

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

(iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any.

(v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(vi) Financial liabilities

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

B Share capital

Equity shares

Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

Notes to Standalone Financial Statements

2.16 Derivative financial instruments and hedge accounting

The Company enters into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. These instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Company at the inception documents and designates these instruments as cash flow hedges. Accordingly, the Company records the cumulative gain or loss arising from change in fair values on effective cash flow hedges in the CFHR within the other comprehensive income until the forecasted transaction occurs. Gain or loss arising from change in fair values of component excluded from the assessment of hedge effectiveness as well as the ineffective portion of the designated hedges and derivative instruments that do not qualify for hedge accounting are recognized immediately in the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, terminated or exercised without replacement or rollover as part of the hedging strategy or when the hedge no longer meets the criteria for hedge accounting, the net cumulative gain or loss recognised in hedging reserve at that time remains in equity and is recognised in profit or loss when the forecasted transaction affects profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is immediately transferred to the profit or loss for the year and is grouped under exchange rate difference.

2.17 Earnings per share ('EPS')

Basic EPS is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3 Recent accounting pronouncements

Certain new standards, amendments to standards are not yet effective for annual periods beginning after January 1, 2019, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

a) Ind AS 116 – Leases

Ind AS 116 replaces the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of Ind AS 116 is annual periods beginning January 1, 2020.

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

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

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

The above amendments are effective from the annual periods beginning January 1, 2020. The Company is currently assessing the impact of adopting the amendments on its financial statements.

Notes to Standalone Financial Statements

4 Property, Plant and Equipment (PPE)

(₹ Million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
COST								
At January 1, 2019	0.15	3,036.02	2,117.59	685.98	16.93	1,239.79	4.97	7,101.43
Additions	-	886.26	704.49	397.55	2.57	597.43	-	2,588.30
(Disposals) / Adjustments	-	(2.87)	(41.91)	(14.65)	(0.93)	(4.35)	-	(64.71)
At December 31, 2019	**0.15**	**3,919.41**	**2,780.17**	**1,068.88**	**18.57**	**1,832.87**	**4.97**	**9,625.02**
ACCUMULATED DEPRECIATION								
At January 1, 2019	-	363.85	1,633.88	498.21	12.05	906.31	4.96	3,419.26
Charge for the year	-	57.92	275.47	75.28	2.83	136.48	-	547.98
(Disposals) / adjustments	-	(0.42)	(40.10)	(14.65)	(0.93)	(3.97)	-	(60.07)
At December 31, 2019	**-**	**421.35**	**1,869.25**	**558.84**	**13.95**	**1,038.82**	**4.96**	**3,907.17**
NET CARRYING AMOUNT								
At December 31, 2019	**0.15**	**3,498.06**	**910.92**	**510.04**	**4.62**	**794.05**	**0.01**	**5,717.85**
COST								
At January 1, 2018	0.15	2,734.49	1,878.08	624.83	17.85	1,185.21	4.97	6,445.58
Additions	-	301.53	275.69	61.15	-	66.23	-	704.60
(Disposals) / adjustments	-	-	(36.18)	-	(0.92)	(11.65)	-	(48.75)
At December 31, 2018	**0.15**	**3,036.02**	**2,117.59**	**685.98**	**16.93**	**1,239.79**	**4.97**	**7,101.43**
ACCUMULATED DEPRECIATION								
At January 1, 2018	-	310.99	1,447.48	453.98	10.30	804.30	4.92	3,031.97
Charge for the year	-	52.86	219.92	44.23	2.67	113.65	0.04	433.37
(Disposals) / adjustments	-	-	(33.52)	-	(0.92)	(11.64)	-	(46.08)
At December 31, 2018	**-**	**363.85**	**1,633.88**	**498.21**	**12.05**	**906.31**	**4.96**	**3,419.26**
NET CARRYING AMOUNT								
At December 31, 2018	**0.15**	**2,672.17**	**483.71**	**187.77**	**4.88**	**333.48**	**0.01**	**3,682.17**

Note:

i) Plant and machinery includes computer systems.

ii) Buildings includes office premises taken on long term finance lease of gross value amounting to ₹345.47 million and ₹345.47 million as at December 31, 2019 and December 31, 2018 and net carrying value amounting to ₹251.42 million and ₹257.17 million as at December 31, 2019 and December 31, 2018 respectively.

5 Other Intangible assets

Intangible assets consist of the following :

(₹ Million)

Particulars	Software Licences	Customer Contracts/Relations	Total
COST			
At January 1, 2019	582.93	-	582.93
Additions	50.94	21.02	71.96
At December 31, 2019	**633.87**	**21.02**	**654.89**
ACCUMULATED AMORTISATION			
At January 1, 2019	490.06	-	490.06
Amortisation for the year	58.43	3.50	61.93
At December 31, 2019	**548.49**	**3.50**	**551.99**
NET CARRYING AMOUNT			
At December 31, 2019	**85.38**	**17.52**	**102.90**

Notes to Standalone Financial Statements

5 Other Intangible assets (Contd..)

(₹ Million)

Particulars	Software Licences	Customer Contracts/Relations	Total
COST			
At January 1, 2018	511.44	**-**	511.44
Additions	71.49	-	71.49
At December 31, 2018	**582.93**	**-**	**582.93**
ACCUMULATED AMORTISATION			
At January 1, 2018	429.36	**-**	429.36
Amortisation for the year	60.70	-	60.70
At December 31, 2018	**490.06**	**-**	**490.06**
NET CARRYING AMOUNT			
At December 31, 2018	**92.87**	**-**	**92.87**

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

6 Investments

A Non current investments in equity shares (unquoted)

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Investment in equity instruments of subsidiaries at cost		
30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68
2,167,000 shares of 1/- GBP each fully paid up in Hexaware Technologies UK Ltd.	154.64	154.64
500,000 shares of Singapore $ 1/- each fully paid up in Hexaware Technologies Asia Pacific Pte. Ltd., Singapore	12.48	12.48
3,618 shares of face value 50/- euro each fully paid up in Hexaware Technologies Gmbh., Germany	7.57	7.57
1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73
1 participation share of no par value in Hexaware Technologies Mexico S De R.L. De C.V.	29.42	29.42
40 shares at no par value in Guangzhou Hexaware Information Technologies Company Limited, China [1]	2.00	2.00
Entire Share Capital in Hexaware Technologies Limited Liability Company, Russia [2]	26.95	26.95
45,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	8.03	8.03
1,945,000 shares of HKD 1/- each in Hexaware Technologies Hong Kong Limited, Hong Kong	16.13	16.13
500 shares of SEK 100/- each in Hexaware Technologies Nordic AB, Sweden	0.40	0.40
10 shares of USD 5000/- each in Hexaware Information Technologies (Shanghai) Company Limited.	3.71	3.71
10292 Shares of ₹10/- each in Mobiquity Softech Pvt Ltd	401.17	-
	2,295.91	**1,894.74**
Other Investments		
At fair value through other comprehensive income		
240,958 equity shares of ₹10/- each in Beta Wind Farm Pvt. Ltd.	4.58	4.58
	2,300.49	**1,899.32**

Notes:

1 Net of provision for impairment in the value of investment of ₹11.14 Million (December 31, 2018 ₹11.14 Million)

2 Net of provision for impairment in the value of investment of ₹121.65 Million (December 31, 2018 ₹121.65 Million)

Aggregate of above note 1 and 2 towards provision for impairment in the value of investment is ₹132.79 Million (December 31, 2018 ₹132.79 Million)

Notes to Standalone Financial Statements

B Current investments in mutual funds (unquoted)

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
At fair value through profit and loss account		
Mutual fund units	-	101.28

7

A Income taxes

(₹ Million)

Particulars	For year ended December 31, 2019	For year ended December 31, 2018
Income tax expense is allocated as follows :		
Income tax expense as per the Statement of Profit and Loss	1,015.83	988.25
Income tax included in Other Comprehensive Income on :		
a) Net change in fair value of cash flow hedges	(39.28)	(117.49)
b) Remeasurement of defined benefit plan	(34.13)	8.45
	942.42	879.21

B The reconciliation of estimated income tax expense at the Indian statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

(₹ Million)

Particulars	For year ended December 31, 2019	For year ended December 31, 2018
Profit before income-tax	6,091.16	5,517.84
Expected tax expense at the enacted tax rate of 34.944% (Previous year 34.944%) in India	2,128.49	1,928.15
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :		
Income exempt from tax	(1,137.08)	(1,042.97)
Tax effect of non-deductible expenses	23.76	90.08
Short provision of taxes of earlier years	-	-
Others	0.65	12.99
Income tax expense recognized in statement of profit and loss	1,015.83	988.25

Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In India, substantial part of operations is carried from units in Special Economic Zones notified by the Government which also benefit from the tax exemptions. These units are eligible for the deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits or gains for a further five years. 50 percent tax benefit is also available for a further period of five years subject to the unit meeting defined conditions of further investments. In respect of certain jurisdictions, where the income tax year is different from the accounting year, provision for current tax is made on the basis of income for the respective accounting year, which will be adjusted considering the total assessable income for the tax year.

Notes to Standalone Financial Statements

C Components of deferred taxes:

(₹ Million)

Particulars	January 1, 2019	Recognised in profit or loss	Recognised in OCI	December 31, 2019	December 31, 2018
Deferred tax assets					
Credit loss on trade receivables	21.84	0.69	-	22.53	21.84
Employee benefit obligations	91.02	9.02	-	100.04	91.02
Provision for severance pay	0.01	-	-	0.01	0.01
Minimum alternate tax credit carry forward	1,482.16	153.96	-	1,636.12	1,482.16
Unrealised loss on cash flow hedges				-	0.89
Total	**1,595.03**	**163.67**	**-**	**1,758.70**	**1,595.92**
Deferred tax liabilities					
Unrealised gain on cash flow hedges	(0.89)	-	(39.28)	(40.17)	-
Depreciation	206.93	42.87	-	249.80	206.93
Total	**206.04**	**42.87**	**(39.28)**	**209.63**	**206.93**
Net deferred tax asset	**1,388.99**	**120.80**	**39.28**	**1,549.07**	**1,388.99**

(₹ Million)

Particulars	January 1, 2018	Recognised in profit or loss	Recognised in OCI	December 31, 2018
Deferred tax assets				
Allowance for doubtful debts and advances	19.63	2.21	-	21.84
Employee benefit obligations	92.66	(1.64)	-	91.02
Provision for severance pay	2.02	(2.01)	-	0.01
Minimum alternate tax credit carry forward	1,233.77	248.39	-	1,482.16
Unrealised loss on cash flow hedges	(116.60)	0.00	117.49	0.89
Total	**1,231.48**	**246.95**	**117.49**	**1,595.92**
Deferred tax liabilities				
Depreciation	204.46	2.46	-	206.93
Total	**204.46**	**2.46**	**-**	**206.93**
Net deferred tax asset	**1,027.02**	**244.49**	**117.49**	**1,388.99**

8 Loans (Unsecured, considered good)

A Non-current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Security deposits for premises and others [(a)]	343.47	227.29

B Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Security deposits for premises and others	1.82	1.78

(a) Exclude deposits aggregating ₹34.56 million and ₹34.56 million impaired basis the expected credit loss model as of December 31, 2019 and December 31, 2018 respectively.

Notes to Standalone Financial Statements

9 Other financial assets (unsecured) (considered good)

A Non-current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Interest accrued on bank deposits	0.26	0.77
Foreign currency derivative assets	49.90	101.43
Restricted bank balances (a)	8.08	5.57
	58.24	**107.77**

(a) Restriction on account of bank deposits held as margin money

B Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Interest accrued on bank deposits	0.22	0.66
Foreign currency derivative assets	228.49	94.16
Other receivables from related parties (Refer note no. 25) (a)	378.52	289.07
Employee advances	133.40	123.06
	740.63	**506.95**

10 Other assets (unsecured)

A Non-current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Capital advances	17.41	47.05
Prepaid expenses relating to leasehold land*	527.64	530.30
Other prepaid expenses	12.56	8.20
Deferred contract cost (Refer note 18.4)	95.11	88.47
Indirect taxes recoverable	124.56	112.22
	777.28	**786.24**

*inlcludes unamortised lease premium in respect of one parcel of leasehold land alloted to the Company at Nagpur for which final lease agreement is being executed amounting to ₹78.95 million and 79.87 million as at December 31, 2019 and December 31, 2018 respectively.

B Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Prepaid expenses	277.39	202.46
Deferred contract cost (Refer note 18.4)	59.62	-
Indirect taxes recoverable	84.10	65.34
Others	18.53	17.34
	439.64	**285.14**

Notes to Standalone Financial Statements

11 Trade Receivables (unsecured)

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Considered good	6,543.12	5,363.53
Considered doubtful	46.31	32.38
Less: Credit impaired	(46.31)	(32.38)
	6,543.12	**5,363.53**
The Company's credit period generally ranges from 30 - 60 days. The age wise break up of trade receivables, net of impairment is given below.		
Not Due	5,498.13	4,318.69
Due less than 180 days*	13.42	1,015.74
Due more than 180 days**	1,031.57	29.10
	6,543.12	**5,363.53**
* Net of impairment loss ₹9.54 Million (Previous year 0.43 Million)		
** Net of impairment loss ₹36.77 Million (Previous year 31.95 Million)		
Movement in Credit loss		
Balance at the beginning of the year	32.38	29.05
Expense for the year	58.32	59.13
Amounts recovered during the year	(44.45)	(57.54)
Exchange rate fluctuations	0.06	1.74
Balance at the end of the year	**46.31**	**32.38**

12 Cash and bank balances:

A Cash and cash equivalents

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Remittance in transit	75.61	-
In current accounts with banks	554.16	1,257.70
Bank deposit accounts with less than 3 months maturity	40.45	62.77
Unclaimed dividend accounts	149.11	154.38
Margin money with banks	8.08	5.57
	827.41	**1,480.42**
Less: Restricted bank balances	(157.19)	(159.95)
	670.22	**1,320.47**

B Other bank balances

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Restricted bank balances in respect of unclaimed dividend	149.11	154.38
	149.11	**154.38**

13 Equity Share Capital

13.1 Authorised capital

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
525,000,000 Equity shares of ₹2 each	1,050.00	1,050.00
1,100,000 Series "A" Preference Shares of ₹1,421 each	1,563.10	1,563.10

Notes to Standalone Financial Statements

13.2 Issued, subscribed and paid-up capital

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Equity shares of ₹2 each fully paid	596.77	594.72

13.3 Reconciliation of number of shares

Particulars	As at December 31, 2019	As at December 31, 2018
Shares outstanding at the beginning of the year	297,360,989	296,803,757
Shares issued during the year	1,023,332	557,232
Shares outstanding at the end of the year	298,384,321	297,360,989

13.4 Rights, preferences and restrictions attached to equity shares

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

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

Name of Shareholder		As at December 31, 2019	As at December 31, 2018
HT Global IT Solutions Holdings Ltd. (Holding Company)	No. of shares held	186,318,590	186,318,590
	% of holding	62.44%	62.66%
HDFC Trustee Company Limited	No. of shares held	19,927,531	19,274,031
	% of holding	6.68%	6.48%

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

13.7 Shares reserved for issue under options

The Company has granted employee stock options under ESOP 2007 and 2008 schemes and restricted stock (RSU's) under the ESOP 2008 and 2015 scheme. Each option / RSU entitles the holder to one equity share of ₹2 each. 7,824,439 options/ RSU's were outstanding as on December 31, 2019 (8,687,324 options as on December 31, 2018).

13.8 The dividend per share recognised as distribution to equity shareholders during the year ended December 31, 2019 was ₹8.50 per share (year ended December 31, 2018 was ₹7.00 per share).

14 Other financial liabilities

A Non-current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Capital creditors	1.17	-
Foreign currency derivative liabilities	31.40	72.95
Accrued expenses	2.18	2.69
	34.75	**75.64**

Notes to Standalone Financial Statements

B Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Unclaimed dividend*	149.11	154.38
Capital creditors	349.77	74.93
Employee liabilities	512.62	445.12
Foreign currency derivative liabilities	66.79	135.19
	1,078.29	**809.62**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

15 Trade payables (other than MSME)

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Trade payables	337.37	292.99
Accrued expenses	535.55	503.57
	872.92	**796.56**

16 Other liabilities

A Non-Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Unearned revenues	16.90	-
	16.90	**-**

B Current

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Advance from Customers	-	190.12
Unearned revenues	75.78	17.09
Statutory liabilities*	223.02	204.58
	298.80	**411.79**

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as at December 31, 2019.

17 Provisions - Others

(₹ Million)

Particulars	As at December 31, 2019	As at December 31, 2018
Provision at the beginning of the year	-	5.82
Paid during the year	-	(3.11)
Adjusted during the year	-	(2.71)
Provision at the end of the year	-	-

Above provision was towards expenditure relating to employee benefit obligations on contract acquisition.

18 Revenue from operations

18.1 The disaggregated revenue with the customers for the year ended 31 December 2019 by contract type:

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Offshore	91%	94%
Onshore	9%	6%
Total revenue from operations	**100%**	**100%**

Notes to Standalone Financial Statements

18.2 The revenue from contracts as per geography for the year ended 31 December 2019 is as under:

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Americas	14,480.65	12,241.39
Europe	2,756.16	2,529.91
APAC	4,172.30	3,168.95
Total revenue from operations	**21,409.11**	**17,940.25**

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

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Contracted price	21,453.16	17,982.32
Reductions towards variable consideration components (discounts, rebate)	(44.05)	(42.07)
Revenue recognised	**21,409.11**	**17,940.25**

18.4 Deferred contract cost

Deferred contract cost represents the contract fulfilment cost and cost for obtaining the contract. The below table discloses the movement in deferred contract cost:

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	88.47	-
Cost capitalised during the year	100.26	92.08
Cost amortised during the year	(34.00)	(3.61)
Balance at the end of the year (Refer note 10)	**154.73**	**88.47**

18.5 Changes in unearned revenue are as follows:

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	17.09	5.49
Revenue recognised during the year	(17.09)	(5.49)
Addition during the year	92.68	17.09
Balance at the end of the year (Refer note 16)	**92.68**	**17.09**

18.6 Transaction price allocated to the remaining performance obligations

(₹ Million)

Particulars	For the year ended December 31, 2019
Within 1 year	1,363.33
More than 1 year	1,852.97

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to change in transaction price.

Notes to Standalone Financial Statements

19 Other income

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Dividend and guarantee	2.93	9.73
Interest income	15.84	5.64
Profit on sale of PPE (net)	(1.73)	0.03
Miscellaneous income	11.63	9.55
	28.67	**24.95**

20 Software and development expenses

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Software expenses*	779.30	430.97
Other expenses	287.29	241.91
	1,066.59	**672.88**
*includes sub-contracting charges	425.69	273.21

21 Employee benefits expense

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Salary and allowances	10,307.62	8,310.72
Contribution to provident and other funds	668.26	550.36
Staff welfare expenses	462.59	392.66
Employee stock option compensation cost	(3.35)	207.83
	11,435.12	**9,461.57**

22 Operation and other expenses

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Rent	284.18	235.80
Rates and taxes	34.93	39.21
Travelling and conveyance	495.23	406.91
Electricity charges	295.23	240.35
Communication expenses	204.73	155.83
Repairs and maintenance	410.61	352.28
Printing and stationery	43.72	26.51
Payment to auditors		
- Audit fees	9.38	10.57
- Tax audit fees	1.20	4.58
- Certification work, taxation and other matters	3.71	1.24
Legal and professional fees	141.47	167.20
Advertisement and business promotion	114.56	118.30
Bank and other charges	12.31	12.42
Directors' sitting fees	1.48	1.98
Insurance charges	23.71	21.65
Debts and advances written off	0.00	5.47
Provision for doubtful accounts (net of write back)	13.87	2.83
Provision for impairment in the value of investment	0.00	132.79
Staff recruitment expenses	119.14	99.12
Service charges	238.59	190.88
Miscellaneous expenses	117.85	109.46
	2,565.90	**2,335.38**

Notes to Standalone Financial Statements

23 Financial Instruments

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

(₹ Million)

Particulars	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Total carrying / fair value
December 31, 2019					
Cash and cash equivalents	670.22	-	-	-	670.22
Other bank balances	149.11	-	-	-	149.11
Investments in mutual fund units	-	-	-	-	-
Trade receivables	6,543.12	-	-	-	6,543.12
Unbilled receivables	1,947.56	-	-	-	1,947.56
Loans-Security deposits	345.29	-	-	-	345.29
Other financial assets	520.48	-	-	278.39	798.87
Investments in equity shares	-	-	4.58	-	4.58
	10,175.78	**-**	**4.58**	**278.39**	**10,458.75**
Trade payables	886.26	-	-	-	886.26
Other financial liabilities	1,014.85	-	-	98.19	1,113.04
	1,901.11	**-**	**-**	**98.19**	**1,999.30**
December 31, 2018					
Cash and cash equivalents	1,320.47	-	-	-	1,320.47
Other bank balances	154.38	-	-	-	154.38
Investments in mutual fund units	-	101.28	-	-	101.28
Trade receivables	5,363.53	-	-	-	5,363.53
Unbilled receivables	1,448.45	-	-	-	1,448.45
Other financial assets	419.13	-	-	195.59	614.72
Investments in equity shares	-	-	4.58	-	4.58
	8,705.96	**101.28**	**4.58**	**195.59**	**9,007.41**
Trade payables	798.64	-	-	-	798.64
Other financial liabilities	677.12	-	-	208.14	885.26
	1,475.76	**-**	**-**	**208.14**	**1,683.90**

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

23.2 Fair value hierarchy

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

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

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

Level 3 inputs are unobservable inputs for the asset or liability

Notes to Standalone Financial Statements

23 Financial Instruments (Contd..)

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

(₹ Million)

December 31, 2019	Level I	Level II	Level III	Total
Mutual fund units	-	-	-	-
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	278.39	-	278.39
	-	**278.39**	**4.58**	**282.97**
Derivative financial liabilities	-	98.19	-	98.19

December 31, 2018	Level I	Level II	Level III	Total
Mutual fund units	101.28	-	-	101.28
Investments in equity shares	-	-	4.58	4.58
Derivative financial assets	-	195.59	-	195.59
	101.28	**195.59**	**4.58**	**301.45**
Derivative financial liabilities	-	208.14	-	208.14

Valuation Technique

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

23.3 Financial risk management

The company has identified the risks under verticals like Geographic and client concentration risk, credit risk, foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and CFO, after consultation with all business units, functions and department heads.

Geographic and client concentration risk

In year 2019, Americas contributed 67.64% (year 2018 - 68%) of the Company's total revenue. The Company continues to expand its global footprint to diversify geographic concentration though Americas remains largest market for the IT industry. The Company's exposure to the US regions is in line with the global industry practices. The Company will continue to invest in the region. There are a number of other growth factors in Americas such as favour for capitalism, highest per capita income, innovation driven culture and focus to retain high end work that allow us to identify and address the pockets of inefficiencies in the most optimum way.

74.46% of the revenue of the year is generated from top 10 clients (previouse year - 77.00%). Any loss or major downsizing by these clients may impact Company's profitability. Further, excessive exposure to particular clients will limit Company's negotiating capacity and expose us to higher credit risk.

The Company is able to maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients.

The Company's growth strategy involves a mix of new client addition and mining the accounts of existing clients. As the Company add more clients and grow revenues from the existing clients, it reduces dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with higher margins due to lower associated cost and higher cost predictability.

Credit risk

Since most of Company's transactions are done on credit, the Company is exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose the Company to credit risk and can impact profitability. Company's maximum credit exposure is in respect of trade receivables of ₹6543.12 million and ₹5,363.53 million as at December 31, 2019 and December 31, 2018, respectively and unbilled receivables of ₹1,947.56 miillion and ₹1,448.45 million as at December 31, 2019, December 31, 2018, respectively.

Notes to Standalone Financial Statements

23 Financial Instruments (Contd..)

The Company adopted an effective receivable management system to control the Days' Sales Outstanding (DSO).Refer Note No 11 for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables.

Top 10 customer dues (including unbilled receivables) contribute 78.6% of the total outstanding as at December 31, 2019 (84.00% as at December 31, 2018).

Cash and cash equivalents and mutual funds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and financial institution with high credit-ratings assigned by credit-rating agencies. The investment in liquid mutual fund units are measured at fair value through profit and loss.

Foreign Currency fluctuations Risk

Foreign exchange fluctuations is one of the key risks impacting our business. The offshore part of the revenue remains exposed to the risk of Rupee appreciation which is functional currency of the Company vis-a-vis the US Dollar, the Euro and other foreign currencies, as largely, the costs incurred are in Indian ₹ 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 Forex Committee of the Board 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 Company.

The following table analyses foreign currency risk from financial instruments as at December 31, 2019:

(₹ Million)

Particulars	USD	EUR	GBP	Others*
Net financial assets	5,268.08	246.50	752.91	214.71
Net financial liabilities	143.23	0.77	0.46	-
Net assets/(liabilities)	5,124.85	245.73	752.45	214.71

The following table analyses foreign currency risk from financial instruments as at December 31, 2018:

(₹ Million)

Particulars	USD	EUR	GBP	Others*
Net financial assets	4,823.60	60.97	458.12	347.11
Net financial liabilities	45.58	6.44	-	1.30
Net assets/(liabilities)	4,778.02	54.53	458.12	345.81

10% depreciation/appreciation of the respective foreign currencies vis-a-vis functional currency of the Company would result in the increase/ decrease in Company's profit before tax approximately by ₹633.77 million and ₹563.65 million for the year ended December 31, 2019 and December 31, 2018, respectively.

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

The Company uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies.

The Company had outstanding hedging instrument in the form of foreign currency forward contracts as at:

(₹ Million)

Currency hedged (Sell contracts)	December 31 2019	December 31 2018
Sell USD	212.02	162.12
Sell Euro	6.60	5.84
Sell GBP	13.60	11.32

Notes to Standalone Financial Statements

23 Financial Instruments (Contd..)

The weighted average forward rate for the hedges outstanding as at December 31, 2019 is ₹74.85, ₹89.02 and ₹99.14 (As at December 31, 2018 ₹71.83, ₹88.22 and ₹98.70) for USD, Euro and GBP, respectively. The hedges mature over the eight quarters.

10% depreciation/appreciation of the respective foreign currencies with respect to closing exchange rate would result in the decrease / increase in Company's other comprehensive income approximate by ₹207.79 million and ₹149.56 for the year ended December 31, 2019 and December 31, 2018, respectively.

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

(₹ Million)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Balance at the beginning of the year	**(14.86)**	**465.83**
Less: Net gains transferred to statement of profit or loss on occurrence of forecasted hedge transaction	(111.49)	(145.59)
Add: Changes in the fair value of the effective portion of outstanding cash flow hedges	313.13	(452.59)
Less : Deferred tax on CFHR	39.28	117.49
Balance at the end of the year	**226.06**	**(14.86)**

There were no material hedge ineffectiveness for the year ended December 31, 2019 and December 31, 2018.

Liquidity risk

The Company needs continuous access to funds to meet short and long term strategic investments. The Company's inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company's inability to quickly convert assets into cash without incurring any material loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by managing its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2019, the Company had total cash, bank balance and investments of ₹827.40 million (as at December 31, 2018 ₹1,581.70 million) which constitutes approximately 4% (previouse year 8%) of total assets. The Company does not have any debt.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

(₹ Million)

Particulars	Less than 1 year	1-5 years	Total
As at December 31, 2019			
Trade and other payables	886.26	-	886.26
Derivative financial liabilities	66.79	31.40	98.19
Others (Refer note 14B)	1,011.50	2.18	1,013.68
Total	**1,964.55**	**33.58**	**1,998.13**

(₹ Million)

Particulars	Less than 1 year	1-5 years	Total
As at December 31, 2018			
Trade and other payables	798.64	-	798.64
Derivative financial liabilities	135.19	72.95	208.14
Others (Refer note 14B)	674.43	2.69	677.12
Total	**1,608.26**	**75.64**	**1,683.90**

Interest rate risk

The Company does not have any debt. The balances with banks is in the form of fixed interest rate deposits. Accordingly, the Company is not exposed to significant interest rate risk.

Capital management

The Company's objectives when managing capital is to maintain optimal capital structure to continue to provide for adequate capital in the business, returns for shareholders and benefits for other stakeholders in the form of dividends, return of capital or issue of new shares.

Notes to Standalone Financial Statements

24 Earnings per share

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

Particulars	Year ended December 31 2019	Year ended December 31 2018
Net profit after tax (₹ Million)	5,075.33	4,529.59
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,038,633	296,930,534
Basic earnings per share (In ₹)	17.03	15.25
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,038,633	296,930,534
Add : Effect of dilutive issue of stock options (Nos.)	3,861,769	5,245,943
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	301,900,401	302,176,477
Diluted earnings per share (In ₹)	16.81	14.99
Par value per share	2.00	2.00

25 Related party disclosures

Name of the Related Parties	Country
Ultimate Holding company and its Subsidiaries	
Baring Private Equity Asia GP V. LP (ultimate holding entity) (control exists)	Cayman Island
The Baring Asia Private Equity Fund V, LP	Cayman Island
Baring Private Equity Asia V Mauritius Holding (4) Limited	Mauritius
Holding Company (control exists)	
HT Global IT Solutions Holdings Limited	Mauritius
Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Ltd.	United Kingdom
Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Ltd.	Canada
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Guangzhou Hexaware Information Technologies Company Limited	China
Hexaware Technologies LLC	Russia
Hexaware Technologies Saudi LLC	Saudi Arabia
Hexaware Technologies Romania SRL[(1)]	Romania
Hexaware Technologies Hong Kong Limited	China
Hexaware Technologies Nordic AB	Sweden
Digitech Technologies Incorporated[(2)]	USA
Hexaware Information Technologies (Shanghai) Company Limited	China
Mobiquity Inc[(3)]	USA
Mobiquity Velocity Solutions, Inc[(4)]	USA
Mobiquity Velocity Cooperative UA[(4)]	Netherland
Mobiquity BV[(5)]	Netherland
Morgan Clark BV[(5)]	Netherland
Mobiquity Softech Private Limited[(6)]	India
Montana Merger Sub Inc.[(7)]	USA
Hexaware Technologies South Africa (Pty) Ltd[(8)]	South Africa
Associate	
Experis Technology Solutions Pte Ltd[(9)]	Singapore
Key Management Personnel (KMP)	
Executive Director and CEO	
Mr. R Srikrishna	

Notes to Standalone Financial Statements

25 Related party disclosures (Contd..)

Name of the Related Parties	Country
Non-executive directors	
Mr. Atul K Nishar	
Mr. Jimmy Mahtani	
Mr. Kosmas Kalliarekos	
Mr. Dileep Choksi (Retired on October 16, 2019)	
Mr. Bharat Shah (Retired on October 16, 2019)	
Mr. P R Chandrasekar	
Ms. Meera Shankar	
Mr. Christian Oecking (Retired on June 25, 2019)	
Mr. Basab Pradhan (Retired on June 8, 2019)	

Notes:

1. Subsidiary of Hexaware Technologies UK Ltd.
2. Subsidiary of Hexaware Technologies Inc., closed on September 27, 2018.
3. Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Inc.
4. Subsidiary of Mobiquity Inc.
5. Subsidiary of Mobiquity Velocity Cooperative UA
6. Acquired on 13th June 2019, Subsidiary of Hexaware Technologies Limied
7. Formed on June 7, 2019 as subsidiary of Hexaware Technologies Inc and merged with Mobiquity Inc, on June 13, 2019
8. Formed on November 25, 2019, subsdiary of Hexaware Technologies UK Ltd.
9. Associate of Hexaware Technologies Asia Pacific Pte Ltd.

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

(₹ Million)

Nature of transactions	Name of the Related party and Relationship	Year ended December 31 2019	Year ended December 31 2018
Investment made	**Subsidiaries**		
	Mobiquity Softech Private Limited	401.17	-
	Hexaware Information Technologies (Shanghai) Company Limited	-	3.71
		401.17	**3.71**
Impairment in value of Investment	**Subsidiaries**		
	Hexaware Technologies LLC - Russia	-	121.65
	Guangzhou Hexaware Information Technologies Company Limited	-	11.14
		-	**132.79**
Corporate Guarantee Given	**Subsidiaries**		
	Hexaware Technologies Inc.	7,923.74	-
		7,923.74	**-**
Software and consultancy income	**Subsidiaries**		
	Hexaware Technologies Inc.	9,977.00	9,260.53
	Hexaware Technologies UK Ltd.	1,920.59	1,579.02
	Others	650.41	588.90
		12,548.00	**11,428.45**
	Associate		
	Experis Technology Solutions Pte Ltd	167.24	133.24
		167.24	**133.24**
Software and development expenses -subcontracting charges	**Subsidiaries**		
	Hexaware Technologies Inc.	154.92	71.02
	Others	1.13	3.27
		156.05	**74.29**

Notes to Standalone Financial Statements

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

(₹ Million)

Nature of transactions	Name of the Related party and Relationship	Year ended December 31 2019	Year ended December 31 2018
Reimbursement of cost to	**Subsidiaries**		
	Hexaware Technologies UK Ltd.	25.58	15.84
	Hexaware Technologies Inc.	12.77	27.86
	Hexaware Technologies, Mexico S. De. R.L. De. C.V.	6.69	-
	Others	0.90	-
		45.94	**43.70**
Recovery of cost from	**Subsidiaries**		
	Hexaware Technologies Inc. ((including recovery of ESOP cost ₹165.91 Million (previous year ₹128.17 Million)	362.69	563.16
	Hexaware Technologies UK Ltd.	341.76	297.89
	Others	149.03	53.60
		853.48	**914.65**
Corporate Gurantee Charges	**Subsidiaries**		
	Hexaware Technologies Inc.	10.19	-
		10.19	**-**
Remuneration to KMP and Directors			
	Short term employee benefits	5.03	4.61
	Post employee benefits	0.13	0.11
	Share based payment	52.33	51.90
	Commission and other benefits to non-executive directors	33.20	43.16
		90.69	99.78

Outstanding Balances

(₹ Million)

Name of the Related party and Relationship	As on December 31 2019	As on December 31 2018
Subsidiaries		
Investment in equity (Including share application money) (Refer note no 6A & 6B)	2,295.91	1,894.74
Trade and other receivable		
- Hexaware Technologies Inc	5,137.53	4,574.06
- Hexaware Technologies UK Ltd	900.60	542.92
- Others	101.64	93.75
	6,139.77	**5,210.73**
Trade payable - towards services and reimbursement of cost		
- Hexaware Technologies Inc	103.78	21.41
- Hexaware Technologies UK Ltd	22.59	7.93
- Others	9.53	3.16
	135.90	**32.50**
Corporate Guarantee		
- Hexaware Technologies Inc	7,923.74	-
(Disclosure in accordance with S. 186 of Companies Act, 2013 - Corporate Guarantee given towards loan taken from bank for the term of 3 years and in respect of deferred purchase consideration for the acquisition of Mobiquity Inc. for the term of 2 years.)	**7,923.74**	**-**
Trade receivable from Associate	**57.67**	**49.83**
Payable to / Provision for KMP's and Directors	**16.52**	**40.87**

Notes to Standalone Financial Statements

26 The Company takes on lease office space and accommodation for its employees under various operating leases. The lease term ranges between 1 year to 9 year with option to renew. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year is ₹284.18 million (Previous year ₹235.80 million)

The future minimum lease payments and payment profile of the non-cancellable operating leases are as follows:

(₹ Million)

Particulars	December 31 2019	December 31 2018
Not later than one year	343.02	198.79
Later than one year and not later than five years	1,060.41	461.43
Later than 5 years	360.61	790.21
Total	**1,764.04**	**1,450.43**

27 Employee share based compensation

27.1 The Nomination and Remuneration Committee ('Committee') of the Company administers the stock options plans viz. ESOP 2007, 2008 and 2015 plan. Under the plans, the employees of the Company as well as its subsidiaries are granted options/ Restricted Stock Options (RSU) entitling them to one equity share of ₹2/- each for each option granted. Exercise price is the market price of the shares of the Company at the grant date or the price determined by the Committee. During the year, the Company modified the vesting period. The modification did not have material impact. The Options / RSU's vest over a period of 1 to 6 years from the date of grant on the basis of service period and/or achievement of performance conditions. The maximum time available to exercise upon vesting is 6 years.

27.2 The particulars of number of options/RSU's granted and lapsed under the aforementioned:

Particulars	ESOP - 2007		ESOP - 2008		ESOP - 2015		Total	
	Options (nos.)	Weighted avg. ex. price per option (₹)	RSU's (nos.)	Weighted avg. ex. price per option (₹)	RSU's (nos.)	Weighted avg. ex. price per option (₹)	Options/ RSU's (nos.)	Weighted avg. ex. price per option (₹)
Outstanding as at the beginning of the year	-	-	25,04,955	2.00	61,82,369	2.00	86,87,324	2.00
	(1,79,250)	(66.07)	(29,04,239)	(2.00)	(65,83,746)	(2.00)	(96,67,235)	(3.19)
Granted during the year	-	-	-	-	18,27,746	2.00	18,27,746	2.00
	-	-	-	-	(6,13,725)	(2.00)	(6,13,725)	(2.00)
Exercised during the year	-	-	1,89,450	2.00	8,33,882	2.00	10,23,332	2.00
	(51,000)	(67.07)	(2,31,214)	(2.00)	(2,75,018)	(2.00)	(5,57,232)	(7.96)
Lapsed during the year	-	-	4,69,789	2.00	11,97,510	2.00	16,67,299	2.00
	(1,28,250)	(65.67)	(1,86,670)	(2.00)	(7,21,484)	(2.00)	(10,36,404)	(9.88)
Outstanding as at the end of the year	-	-	18,45,716	2.00	59,78,723	2.00	78,24,439	2.00
	-	-	(24,86,355)	(2.00)	(62,00,969)	(2.00)	(86,87,324)	(2.00)
Exercisable as at the end of the year	-	-	1,61,820	2.00	6,68,482	2.00	8,30,302	2.00
	-	-	(51,150)	(2.00)	(5,03,191)	(2.00)	(5,54,341)	(2.00)

*Previous year figures are gven in brackets

The weighted average share price of options exercised on the date of exercise was ₹349.68 per share and ₹428.89 per share for the year ended December 31, 2019 and December 31, 2018 respectively.

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

Range of exercise price	December 31, 2019		December 31, 2018	
	Options/ RSU's (Nos)	Life	Options/ RSU's (Nos)	Life
2	78,24,439	32	86,87,324	30
Total	**78,24,439**		**86,87,324**	

Notes to Standalone Financial Statements

27.4 The fair values of the RSU's granted in year 2019 and 2018 are determined using Black Scholes Option pricing model using following assumptions:

(₹ Million)

Particulars	Year 2019	Year 2018
Weighted Average fair value (₹)	343.93	413.44
Weighted Average share price (₹)	369.20	448.57
Dividend Yield (%)	2.16-2.48	1.59 - 2.25
Expected Life (years)	1.39-5.85	2.50-5.85
Risk free interest rate (%)	5.97-7.22	7.09- 8.28
Volatility (%)	35.24-41.16	33.60- 38.00

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

28 Employee benefit plans

i) Provident Fund, Superannuation Fund and Other Similar Funds

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In respect of the Company's employees enrolled with the Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'), the Company pays a part of the contributions to the Trust. The remaining portion of Company's contribution in respect of such employees and entire contribution in respect of other employees is contributed to the Government administered Employee Provident and Pension Fund.

The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has accordingly provided a valuation and based on the fund position and assumptions mentioned below,amount of ₹109.80 million has been recognised as actuarial loss for the year ended Dec. 31, 2019

(₹ Million)

Particulars	December 31, 2019	December 31, 2018
Present value of benefit obligation	4,234.02	3,447.03
Fair value of plan assets	4,124.22	3,447.03
Expected Investment Return	8.47%	8.43%
Remaining term of maturities of plan assets	6.19 Years	5.95 years
Expected guaranteed interest rates	8.65%	8.55%

Certain employees of the Company are entitled to benefits under the superannuation plan, a defined contribution plan. The Company makes quarterly voluntary contributions under the superannuation plan to LIC based on a specified percentage of each covered employees salary and recognises such contributions as an expense when incurred and has no further obligation to the plan beyond such contributions.

During the year, the Company has recognized expenses towards contributions to provident fund and other funds and superannuation funds of ₹497.66 million (Previous year ₹389.15 million) and ₹17 million (Previous year ₹14.15 million), respectively.

ii) Gratuity Plan

The Company makes annual contribution to the Employee's Company Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

Notes to Standalone Financial Statements

The following table sets out the status of the gratuity plan for the year ended December 31 :

(₹ Million)

Particulars	Year 2019	Year 2018
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**717.73**	**659.05**
Current service cost	142.23	140.56
Interest cost	47.63	46.76
Adjustment for remeasurement of defined benefit plan		
- Actuarial loss/(gains) arising from change in financial assumptions	35.46	15.25
- Actuarial loss/(gains) arising from change in demographical assumptions	3.22	(53.77)
- Actuarial loss/(gains) arising on account of experience changes	62.08	(16.72)
Benefits paid	(65.97)	(73.40)
Closing defined benefit obligation	**942.37**	**717.73**
Change in the Fair Value of Assets		
Opening fair value of plan assets	**563.90**	**549.78**
Interest on plan assets	40.10	42.34
Remeasurement due to actual return on plan assets less interest on plan assets	28.59	(13.79)
Contribution by employer	32.42	58.97
Benefits paid	(65.97)	(73.40)
Closing fair value of plan assets	**599.04**	**563.90**
Net liability as per actuarial valuation	**343.33**	**153.83**
Expense charged to statement of profit and loss:		
Current service cost	142.23	140.56
Net Interest on defined benefit plan	7.53	4.41
Total Included in Employment expenses	**149.76**	**144.97**
Amount recognised in other comprehensive income:		
Remeasurement of defined benefit plan due to -		
- changes in financial assumptions	35.46	15.25
- changes in demographical assumptions	3.22	(53.77)
- Experience adjustments	62.08	(16.72)
- Actual return on plan assets less interest on plan assets	(28.59)	13.79
Total amount recognised in other comprehensive income	**72.17**	**(41.45)**
Actual return on plan assets	**68.69**	**28.55**
Category of assets - Insurer Managed Fund#	**599.04**	**563.90**

#Since the investments are held in the form of deposit with the LIC, these are not volatile, the market value of assets is the cost value of assets and has been accordingly consi\dered for the above disclosures.

The Company is expected to contribute ₹100 million to gratuity funds for the year ending December 31, 2019

(₹ Million)

Financial assumptions at the valuation date	Year 2019	Year 2018
Discount rate	6.60%	7.25%
Rate of increase in compensation levels of covered employees*	7.5% to 10%	7.5% to 10%
Rate of Return on Plan assets	7.25%	7.25%

*The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.

Notes to Standalone Financial Statements

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

Impact on defined benefit obligation	December 31, 2019	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(2.92%)	3.03%
Decrease in 50 bps	3.08%	(2.90%)

Impact on defined benefit obligation	December 31, 2018	
	Discount Rate	Salary Escalation Rate
Increase in 50 bps	(2.70%)	2.82%
Decrease in 50 bps	2.84%	(2.71%)

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity profile	₹ Million
Year 1	138.43
Year 2	126.15
Year 3	119.42
Year 4	115.17
Year 5	106.96
Year 6	94.54
Year 7	95.69
Year 8	83.56
Year 8	83.11
Thereafter	542.07

The weighted average duration to the payment of these cash flows is 5.99 years.

29 Segments

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

30 Corporate Social Responsibility

a) Gross Amount required to be spent by the Company during the year is ₹99.63 million (Previous year ₹89.56 million)

b) Amount spent during the year on :

(₹ Million)

Sr. No.	Particulars	Amount Paid	Amount yet to be paid	Total
1	Construction/ acquisition of any asset	-	-	-
		(-)	(-)	(-)
2	On purpose other than (1) above	99.64	-	99.64
		(90.46)	**(-)**	**(90.46)**

Previous years figures are given in bracket

Notes to Standalone Financial Statements

31 Contingent liabilities and commitments

31.1 Contingent liabilities

Claims not acknowledged as debt ₹28.14 million (₹28.14 million as at December 31, 2018), being a claim from landlord of a premise occupied by the Company in an earlier year. The Company is confident of successfully contesting the aforesaid matter and does not expect any outflow on this count.

31.2 Claims for taxes on income

Where Company is in appeal

Income tax demands of ₹9.59 million (₹9.59 million as on December 31, 2018) have been raised in respect of assessments completed in earlier year, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merit, expects favourable outcome. Hence, no provision against such demand is considered necessary.

31.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹171.51 million (₹390.50 million as at December 31, 2018). For lease contract related commitment refer note 26

32 Disclosure pursuant to amount due to Micro, Small and Medium enterprise is as under:

(₹ Million)

Particulars	As at December 31 2019	As at December 31 2018
Amount due to vendor	13.34	2.08
Principal amount paid (includes unpaid beyond the appointed date)	-	-
Interest due and paid /payable for the year	-	-
Interest accrued and remaining unpaid	-	-

Due to Micro, Small and Medium enterprise have been determined to the extent such parties have been identified on the basis of information collected by the management.

33 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

34 Material events after Balance Sheet date

There is no significant event after reporting date which requires adjustments or disclosure to the financial statements except the matter mentioned below:

The Board of Directors, at its meeting held on February 11, 2020 has declared interim dividend of ₹2.50/- per equity share (125%). This would result in cash outflow of ₹745.96 Million Excluding corporate dividend tax. Corporate dividend tax would be as applicable at the time of payment, will be paid out.

35 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on February 11, 2020.

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HEXAWARE - Mumbai SEZ
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Unit No. I, Block No.01, Q1, 6th and 7th Floor,
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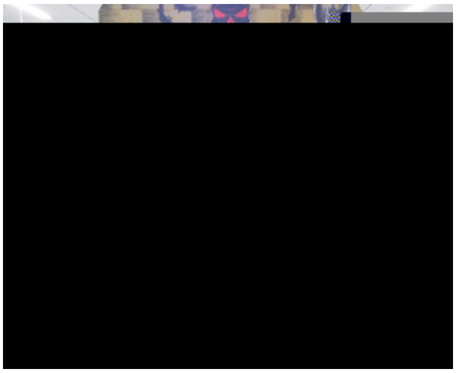

HEXAWARE

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