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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HEXAWARE TECHNOLOGIES LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st December, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st December, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets (net) of Rs. 1,784.27 as at 31st December, 2014, total revenues of Rs. 4,055.19 and net cash flows amounting to Rs. 484.54 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, 10th February, 2015

HEXAWARE TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2014

(Rupees Million)

Particulars	Note No.	As at 31st December 2014		As at 31st December 2013	
I. EQUITY AND LIABILITIES					
Share Holders' Funds :					
a. Share capital	"4"	601.85		599.75	
b. Reserves and surplus	"5"	12,303.70		11,391.86	
			12,905.55		11,991.61
Share application money pending allotment			0.45		0.86
Non-current liabilities :					
a. Deferred tax liabilities (net)	"6"	118.68		275.54	
b. Other long-term Liabilities	"7"	31.06		9.17	
c. Long-term provisions - Employee benefits		287.82		204.85	
			437.56		489.56
Current liabilities :					
a. Trade payables		680.35		493.99	
b. Other current liabilities	"8"	2,145.70		1,760.29	
c. Short-term provisions	"9"	1,484.90		3,575.42	
			4,310.95		5,829.70
Total			17,654.51		18,311.73
II. ASSETS					
Non-current assets :					
a. Fixed Assets :	"10"				
i) Tangible assets		3,379.87		3,456.56	
ii) Intangible assets		1,758.45		1,693.82	
iii) Capital work-in-progress		350.46		220.42	
		5,488.78		5,370.80	
b. Non-current investments	"11"	4.58		4.58	
c. Deferred tax asset (Net)	"6"	293.89		227.32	
d. Long-term loans and advances	"12"	1,398.90		1,290.71	
e. Other non-current assets	"13"	328.11		176.71	
			7,514.26		7,070.12
Current Assets :					
a. Current investments	"14"	1,850.96		3,378.06	
b. Trade receivables	"15"	3,656.38		3,235.78	
c. Cash and cash equivalents	"16"	2,865.02		3,010.52	
d. Short-term loans and advances	"17"	537.91		483.43	
e. Other current assets	"18"	1,229.98		1,133.82	
			10,140.25		11,241.61
Total			17,654.51		18,311.73
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	"1 to 36"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner

Place : Mumbai
Date : 10th February, 2015

For and on behalf of the Board

Atul K. Nishar (Chairman)

R. Srikrishna (CEO & Executive Director)

P. R. Chandrasekar (Vice Chairman)

Jimmy Mahtani (Director)

Dileep Choksi (Director)

Bharat Shah (Director)

Basab Pradhan (Director)

Christian Oecking (Director)

Rajesh Kanani (Chief Financial Officer)

Gunjan Methi (Company Secretary)

HEXAWARE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st DECEMBER 2014

(Rupees Million)

Particulars	Note No.	For the year ended 31st December 2014		For the year ended 31st December 2013	
I. INCOME					
a. Revenue from operations		25,816.77		22,853.48	
b. Other income	"19"	227.76	26,044.53	372.74	23,226.22
II. EXPENSES					
a. Software and development expenses	"20"	4,001.14		3,478.98	
b. Employee benefits expenses	"21"	14,596.33		12,218.78	
c. Operation and other expenses	"22"	2,443.70		2,033.42	
d. Exchange rate difference (net)		307.84		311.99	
e. Interest - Others		8.98		2.04	
f. Depreciation and amortization expense	"10"	439.72	21,797.71	386.04	18,431.25
Profit Before Tax and Exceptional Items			4,246.82		4,794.97
Less : Exceptional item (Refer note no. 33)			65.63		-
Profit before tax			4,181.19		4,794.97
Tax expense					
Income tax - Current (Includes prior year Rs. Nil (Rs. 12.21 Million))		1,171.74		1,079.32	
Less: MAT Credit adjustment (net) / (entitlement)		28.55		(223.74)	
Net current tax expense		1,200.29		855.58	
Income tax - Deferred Taxes		(220.62)	979.67	148.04	1,003.62
Profit for the year			3,201.52		3,791.35
Earnings per share (before exceptional item) (in Rupees)	"28"				
Basic			10.87		12.70
Diluted			10.82		12.59
Earnings per share (after exceptional item) (in Rupees)	"28"				
Basic			10.66		12.70
Diluted			10.60		12.59
Face value of equity share (in Rupees)			2.00		2.00
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	"1 to 36"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner

Place : Mumbai
Date : 10th February, 2015

For and on behalf of the Board

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Christian Oecking
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Hexaware Technologies Limited
Consolidated Cash Flow Statement for the year ended 31st December, 2014 (Rupees Million)

	Particulars	For the year ended 31st December 2014	For the year ended 31st December 2013
A	**Cash Flow from operating activities**		
	Net Profit before tax	4,181.19	4,794.97
	Adjustments for:		
	Depreciation and amortization expenses	439.72	386.04
	Employees share based payment cost	-	(0.46)
	Interest income	(55.82)	(185.28)
	Provision for doubtful accounts (net)	(1.52)	28.91
	Debts and advances written off	2.06	7.69
	Dividend from current investments	(125.74)	(158.81)
	(Profit)/ Loss on sale / diminution in value of Current investments (Net)	(0.44)	7.19
	Fixed asset written off (net)	0.79	7.03
	Loss / (Profit) on sale of fixed assets (Net)	0.43	(7.86)
	Deferred settlement loss / (gain) relating to roll-over cash flow hedges	998.39	(672.94)
	Exchange rate difference (net) unrealised	130.83	24.14
	Interest expense	8.98	2.04
	Operating profit before working capital changes	**5,578.87**	**4,232.66**
	Adjustments for:		
	Trade and other receivables	(846.16)	500.25
	Trade and other payables	537.27	(359.94)
	Cash generated from operations	**5,269.98**	**4,372.97**
	Direct Taxes Paid (Net)	(1,140.77)	(1,014.87)
	Net cash from operating activities	**4,129.21**	**3,358.10**
B	**Cash flow from investing activities**		
	Purchase of fixed assets	(604.03)	(411.02)
	Proceeds from sale of fixed assets	0.78	18.64
	Interest received (Net of tax Rs. 10.90 Million (Rs. 28.12 Million))	142.63	107.16
	Purchase of current investments	(24,865.51)	(34,185.63)
	Proceeds from sale of investments	26,393.05	33,150.21
	Dividend from current investments	125.74	158.81
	Net cash from / (used in) investing activities	**1,192.66**	**(1,161.83)**
C	**Cash flow from financing activities**		
	Proceeds from issue of share capital	48.46	78.68
	Share application money adjusted	(0.41)	0.48
	Interest and other finance charges paid	(0.93)	(2.04)
	Dividend paid (including corporate dividend tax)	(5,400.35)	(1,332.49)
	Net cash (used in) financing activities	**(5,353.23)**	**(1,255.37)**
	Net (Decrease) / Increase in cash and cash equivalents	(31.36)	940.90
	Cash and cash equivalents at the beginning of the year	2,891.12	1,950.22
	Cash and cash equivalents at the end of the year (Refer Note No. 1 below)	2,859.76	2,891.12

Notes:
1. Components of cash and cash equivalents comprise the following:
(Refer Note no. 16 of notes forming part of financial statements)

Cash and Bank Balances	3,088.41	2,885.96
Add: "AAA" rated demand deposits with financial institutions	-	300.00
Less: Restricted Bank Balances	(223.39)	(175.44)
Cash and cash Equivalents as per note no 16	2,865.02	3,010.52
Effect of changes in Exchange rate in cash and cash equivalents	(5.26)	(119.40)
Total Cash and Cash equivalents	**2,859.76**	**2,891.12**

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

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner

Place: Mumbai
Date : 10th February, 2015

For and on behalf of the Board

Atul K. Nishar (Chairman)
R. Srikrishna (CEO & Executive Director)
P. R. Chandrasekar (Vice Chairman)

Jimmy Mahtani (Director)
Dileep Choksi (Director)
Bharat Shah (Director)

Basab Pradhan (Director)
Christian Oecking (Director)

Rajesh Kanani (Chief Financial Officer)
Gunjan Methi (Company Secretary)

1 Background

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

2 Significant Accounting Policies

a) Basis of Preparation

These consolidated financial statements of Hexaware Technologies Limited (the "Holding Company") and its subsidiaries (together the "Company" or "Group") are prepared in accordance with generally accepted accounting principles applicable in India under the historical cost convention except for certain financial instruments which are measured at fair value. These financial statements comply with the applicable provisions of the Companies Act, 1956/ 2013 and the accounting standards, to the extent possible in the same format as that adopted by the Holding Company for its separate financial statements.
The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting date as that of the holding company, viz 31st December 2014.

b) Principles of Consolidation

a. The financial statements of the holding company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra- group balances, intra-group transactions and any unrealised gain or losses on balances remaining within the group in accordance with the Accounting Standard (AS 21) "Consolidated Financial Statements".

b. The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

c. The excess of the cost to the Holding Company of its investments in each of the subsidiaries over and above the share of equity in the respective subsidiary, on the acquisition date, is recognized in the financial statements as goodwill which is tested for impairment on an annual basis.

d. Minority interest in the net assets of consolidated subsidiaries consists of:

i. The amount of equity attributable to minorities at the date on which investment in the subsidiary is made and

ii. the minorities' share of movements in equity since the date the parent-subsidiary relationship comes into existence.

Minority interests in share of net profit/loss for the year is identified and adjusted against the profit after tax of the Company. Excess of loss attributable to the minority over the minority interest in the equity of the subsidiary is absorbed by the Company.

c) Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Difference between actual results and estimates are recognized in the period in which the results are known/materialise. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development, the useful lives of depreciable fixed assets and provisions for impairment.

d) Revenue Recognition

a) Revenues from software solutions and consulting services are recognized on specified terms of contract. In case of contract on time and material basis revenue is recognised when the related services are performed and in case of fixed price contracts revenue is recognized using percentage of completion method of accounting. 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. Unbilled services included in other current assets represents amount recognized based on services performed in advance of billing in accordance with contract terms.

Revenue from business process management arises from unit – priced contracts, time based contracts, cost based projects and engagement services. Such revenue is recognised on completion of the related services and is billed in accordance with the specific terms of the contract with the client.

Revenue is reported net of discount / incentive.

b. Dividend income is recognised when right to receive is established.

c. Interest Income is recognised on time proportion basis.

d. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

e) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets to bring these to working conditions for intended use.

f) Depreciation and Amortisation

Depreciation and amortisation on fixed assets is provided on straight-line method based on the estimated useful lives of the assets as follows:

Asset Class	Estimated Useful Life
Building	61 years
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Electrical Fittings (included in Plant and Machinery)	8 years
Furniture and Fixtures	8 years
Vehicles	4 years
Leasehold Land	Over the lease period
Improvements to leased Premises	Over the lease period
Software	3 years

g) Investments

Long term investments are stated at cost. Provision is made for diminution in the value of long term investments, if such diminution is other than temporary. Current investments are carried at cost or fair value, whichever is lower.

h) Foreign Currency Transaction / Translation

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the date of the Balance Sheet and the resulting net exchange difference is recognized in the Statement of Profit and Loss.

In respect of forward contracts entered into to hedge foreign currency exposure in respect of recognized monetary items, the premium or discount on such contracts is amortized over the life of the contract. The exchange difference measured by the change in exchange rate between the inception dates of the contract / last reporting date as the case may be and the balance sheet date is recognized in the Statement of Profit and Loss. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.

Foreign Branches

In respect of the foreign branches, being integral foreign operations, all revenues and expenses during the year are reported at average rate prevailing during the period. Monetary assets and liabilities are restated at the year-end exchange rate. Non-monetary assets and liabilities are stated at the rate prevailing on the date of the transaction. Balance in `head office' account whether debit or credit is translated at the amount of the balance in the `foreign branch' account in the books of the head office. Net gain / loss on foreign currency translation are recognised in the Statement of Profit and Loss.

i) Translation and Accounting of Financial Statements of Foreign Subsidiaries.

The local accounts of the overseas subsidiaries, being non integral foreign operations, are maintained in local currency of the country of incorporation. The financial statements are translated to Indian Rupees as follows.

a. All income and expenses are translated at the average rate of exchange prevailing during the year.
b. Assets and liabilities are translated at the closing rate on the Balance Sheet date.
c. Share Capital and share application money are translated at historical rate.
d. The resulting exchange differences are accumulated in currency translation reserve.

j) Derivative Instruments and Hedge Accounting

The Company enters into foreign currency forward contracts and currency options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement". These instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Accordingly, the Company records the cumulative gain or loss on effective cash flow hedges in the Hedging Reserve account until the forecasted transaction materializes. Gain or loss on ineffective cash flow hedges is recognized in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss.

k) Employee Benefits

a. Post-employment benefits and other long term benefit plans:

Payments to defined contribution schemes and other similar funds are expensed as incurred. 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 each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit liability recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, 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.

b. Short term employee benefits:

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.

l) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are 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 charged to revenue.

m) Leases

Finance Lease

Assets taken on finance lease are accounted for as fixed assets at lower of present value of the minimum lease payments and the fair value and liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability.

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 expenses on straight line basis over the lease term.

Furnished and equipped premises leased out under operating lease are capitalised in the books of the Company. Lease income is recognised over the lease term on a straight line basis.

n) Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) on “Accounting for Taxes on Income”. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using the applicable tax rates. Deferred taxes are recognised for future tax consequence attributable to timing difference between taxable income and accounting income, measured at relevant enacted/ substantively enacted tax rates.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on “Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961” issued by The Institute of Chartered Accountants of India (“ICAI”). MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be able to adjust against the normal income tax during the specified period. At each balance sheet date the Company reassesses MAT credit assets, and adjusts the same where required.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

o) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and 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.

p) Share Based Compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price of the Company’s shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised over the vesting period of the options.

q) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when as a result of past events there is a present obligation that can be estimated reliably and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

r) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash, current account balances and demand deposit with banks and financial institutions.

3 Subsidiaries to Consolidation

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

Name of the subsidiary Company	Country of Incorporation
Hexaware Technologies Inc.	United States of America
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Hexaware Technologies UK Ltd.	United Kingdom
FocusFrame Europe BV (Subsidiary of Hexaware Technologies Inc.)	Netherland
Hexaware Technologies Asia Pacific Pte Limited	Singapore
Hexaware Technologies Gmbh.	Germany
Hexaware Technologies Canada Limited.	Canada
Caliber Point Business Solutions Limited (merged with the Company w.e.f. 1st April 2013, refer note No. 34)	India
Risk Technology International Limited	India
Hexaware Technologies DO Brazil Ltd , Brazil (Subsidiary of Hexaware Technologies UK Ltd)	Brazil

 (Rupees Million)

	Particulars	As at 31st December 2014	As at 31st December 2013
4	**SHARE CAPITAL**		
a.	**Authorised**		
	475,000,000 (325,000,000) Equity Shares of Rs. 2/- each (Refer note no. 35)	950.00	650.00
	1,100,000 Series "A" Preference Shares of Rs. 1421/- each (Authorised Preference share capital can be either cumulative or non cumulative with a power to the Company to convert the same into equity shares at any time.)	1,563.10	1,563.10
	Total	2,513.10	2,213.10
b.	**Issued, Subscribed and Paid-up Capital**		
	Equity Shares of Rs. 2/- each Fully Paid.	601.85	599.75
	Total	601.85	599.75

c. Reconciliation of number of shares

Particulars	Numbers (2014)	Amount (2014)	Numbers (2013)	Amount (2013)
Shares outstanding at the beginning of the year	299,875,947	599.75	296,544,791	593.09
Shares issued during the year	1,047,525	2.10	3,331,156	6.66
Shares outstanding at the end of the year	300,923,472	601.85	299,875,947	599.75

d. Details of shares held by shareholders holding more than 5% shares

Name of Shareholder	Nos. of Shares held (2014)	% of holding (2014)	Nos. of Shares held (2013)	% of holding (2013)
HT Global IT Solutions Holdings Ltd. (Holding Company)	215,047,193	71.46	164,323,724	54.80
Parel Investment Holdings Limited (Subsidiary of Ultimate holding company "Baring Private Equity Asia GP V, LP")	-	-	27,288,327	9.10
JP Morgan Chase Bank, NA (Unregistered ADR's held by HT Global IT Solutions Holdings Ltd.)	-	-	21,111,400	7.04

e. Shares alloted as fully paid up by way of bonus shares during five years preceding the year end

The Company alloted 145,545,781 equity shares as fully paid up bonus shares by utilisation of Securities premium account on 2nd March, 2011 pursuant to shareholder's resolution passed in Extra Ordinary General Meeting held on 15th February, 2011

f. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

g. Shares reserved for issue under options

The Company has granted employee stock options under ESOP 2002, 2007 and 2008. Each option entitles the holder to one equity share of Rs. 2 each. 1,576,500 (2,840,525) options were outstanding as on 31st December 2014. (Refer note no. 29)

h. Shares application money pending allottment

Share application money pending allotment is Rs. 0.45 Million (Rs. 0.86 Million) as at 31st December, 2014, which pertains to 36,000 (44,000) shares. The Company has sufficient authorised capital to cover the allotment of these shares.

i. The Board of Directors, at its meeting held on 10th February, 2015 has recommended interim dividend of Rs. 2.50 per equity share.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars		As at 31st December 2014			As at 31st December 2013	
5 RESERVES AND SURPLUS						
a Securities premium account						
As per last Balance Sheet		4,654.45			4,578.74	
Add: On merger of Caliber Point Business Solutions Limited (Refer note no. 35)		41.12			-	
Add : Received during the year		46.36			72.02	
Add : Transfer from Employee Stock Option outstanding		-			3.69	
			4,741.93			4,654.45
b Employee stock options outstanding						
As per last Balance Sheet		-			4.41	
Less: Reversal on forfeiture / lapse of stock options granted		-			0.72	
Less : Transfer to Securities Premium Account on exercise of stock options		-			3.69	
			-			-
c General reserve						
As per last Balance Sheet		2,178.52			1,843.19	
Less: On merger of Caliber Point Business Solutions Limited (Refer note no. 35)		41.12			-	
Add : Transfer from Statement of Profit and Loss		2.98			335.33	
			2,140.38			2,178.52
d Hedging reserve						
As per last Balance Sheet		(1,239.41)			(760.51)	
Less: Losses transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions (Net)		759.56			1,053.95	
Add /(Less): Changes in the fair value of the effective portion of outstanding cash flow hedges		226.84			(1,532.85)	
			(253.01)			(1,239.41)
e Amalgamation reserve			2.88			2.88
f Special Economic Zone Re-investment reserve						
As per last Balance Sheet		223.94			-	
Add : Transfer from Balance in Statement of Profit and Loss		176.38			223.94	
Less : Transfer to Statement of Profit and Loss on utilisation for acquisition of plant and machinery.		118.93			-	
			281.39			223.94
g Currency translation Reserve						
As per last Balance Sheet		1,013.50			550.90	
Addition during the year (Net)		(1.78)			462.60	
			1,011.72			1,013.50
h Balance in Statement of Profit and Loss						
As per last Balance Sheet		4,557.98			5,225.75	
Add : Profit for the year		3,201.52			3,791.35	
Add : Transfer from Special Economic Zone Re-investment reserve		118.93			-	
Add/ (Less): On closure of a Subsidiary		-			0.05	
		7,878.43			9,017.15	
Less : Appropriations						
Interim Dividend - Equity	2,840.97			3,030.77		
Proposed Dividend - Equity	-			300.27		
Tax on Dividend (After adjusting tax benefit on dividend distributed by a subsidiary)	479.69			568.86		
Transfer to General Reserve	2.98			335.33		
Transfer to Special Economic Zone Re-investment Reserve	176.38			223.94		
		3,500.02			4,459.17	
			4,378.41			4,557.98
Total			12,303.70			11,391.86

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

	PARTICULARS	As at 31st December 2014	As at 31st December 2013
6	**DEFERRED TAX ASSETS / LIABILITIES**		
	a. Deferred tax assets:		
	i. Provision for doubtful receivables	12.29	13.66
	ii. Depreciation	8.71	8.43
	iii. Employee Benefits	245.40	190.65
	iv. Provision Others	29.82	13.78
	v. Others	1.80	5.82
		298.02	232.34
	Less: Deferred tax liability		
	Employee Benefits	4.13	5.02
	Total	293.89	227.32
	b. Deferred tax liabilities:		
	i. Depreciation	149.50	143.83
	ii. Deferred Cancellation loss relating to roll-over of Cash flow hedges	35.36	226.86
		184.86	370.69
	Less: Deferred tax asset		
	i. Employee benefits	62.59	54.84
	ii. Provision others	-	32.17
	iii. Unabsorbed tax losses	-	6.74
	iv. Provision for doubtful receivables	3.59	1.40
	Total	118.68	275.54
7	**OTHER LONG TERM LIABILITIES**		
a	Capital creditors	5.87	0.17
b	Liability for mark to market losses on derivative contracts (net)	25.19	9.00
	Total	31.06	9.17
8	**OTHER CURRENT LIABILITIES**		
a	Unearned revenues	226.16	143.95
b	Unclaimed dividend *	96.40	54.82
c	Other payables		
	- Employee related	847.99	676.83
	- Statutory liabilities	322.04	256.07
	- Deposit received from Customer / Lessee	0.38	0.35
	- Capital creditors	79.39	113.51
	- Liability for mark to market losses on derivative contracts (net)	51.54	43.80
	- For expenses	521.80	470.96
	Total	2,145.70	1,760.29
*	This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
9	**SHORT TERM PROVISIONS**		
a	For employee benefits	427.44	401.52
b	Proposed dividend	752.31	2,552.27
c	Tax on proposed dividend	154.03	433.76
d	Provision for taxation (net of advance tax) (net of MAT credit availed Rs. 56.86 Million (Rs. Nil))	58.82	36.32
e	Others (Refer note no. 32)	92.30	151.55
	Total	1,484.90	3,575.42

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 - FIXED ASSETS

(Rupees Million)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.01.2014	Additions	Deductions/ Adjustments	As at 31.12.2014	As at 01.01.2014	For the year	Deductions/ Adjustments	As at 31.12.2014	As at 31.12.2014	As at 31.12.2013
A	TANGIBLE ASSETS										
1	Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
	Land - Leasehold (Refer note no.1)	362.14	93.73	-	455.87	25.73	3.94	-	29.67	426.20	336.41
2	Buildings	2,228.15	19.57	(0.39)	2,248.11	142.24	36.41	-	178.65	2,069.46	2,085.91
3	Plant and Machinery	1,435.68	148.52	15.54	1,568.66	1,014.46	174.73	14.00	1,175.19	393.47	421.22
4	Office Equipments	763.74	30.42	6.95	787.21	405.16	108.83	5.17	508.82	278.39	358.58
5	Furniture and Fixtures	579.82	4.19	5.67	578.34	353.55	45.82	4.98	394.39	183.95	226.27
6	Improvements to Leasehold Premises	54.78	9.06	9.18	54.66	33.68	6.10	9.33	30.45	24.21	21.10
7	Vehicles	27.13	-	1.75	25.38	20.21	2.66	1.53	21.34	4.04	6.92
	Total - Tangible Assets	5,451.59	305.49	38.70	5,718.38	1,995.03	378.49	35.01	2,338.51	3,379.87	3,456.56
	Previous year	*4,797.85*	*866.79*	*213.05*	*5,451.59*	*1,861.31*	*329.74*	*196.02*	*1,995.03*	*3,456.56*	
B	INTANGIBLE ASSETS										
1	Software	282.79	94.07	0.01	376.85	191.66	61.23	(0.05)	252.94	123.91	91.13
2	Goodwill on consolidation	1,602.69	-	(31.85)	1,634.54	-	-	-	-	1,634.54	1,602.69
	Total - Intangible Assets	1,885.48	94.07	(31.84)	2,011.39	191.66	61.23	(0.05)	252.94	1,758.45	1,693.82
	Previous year	*1,637.62*	*51.94*	*(195.92)*	*1,885.48*	*131.49*	*56.30*	*(3.87)*	*191.66*	*1,693.82*	
C	CAPITAL WORK IN PROGRESS									350.46	*220.42*
	(Mainly in respect of buildings under construction)										
	CURRENT YEAR	7,337.07	399.56	6.86	7,729.77	2,186.69	439.72	34.96	2,591.45	**5,488.78**	**5,370.80**
	PREVIOUS YEAR	*6,435.47*	*918.73*	*17.13*	*7,337.07*	*1,992.80*	*386.04*	*192.15*	*2,186.69*	*5,370.80*	

Notes:

1 Includes Rs. 90.00 Million and Rs. 6.49 Million (Previous Year Rs. 5.58 Million) being lease premium and accumulated amortisation respectively in respect part of of leasehold land alloted to the Company at Nagpur for which final lease agreement is being executed.

2 Plant and machinery includes Computer systems.

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

Particulars	Gross Block	Depreciation
Goodwill On Consolidation	31.85	-
TANGIBLE ASSETS		
Plant and Machinery	4.13	3.36
Office Equipments	1.38	0.69
Furniture and Fixtures	2.34	1.89
Improvements to Leasehold Premises	2.04	2.20
Vehicles	0.03	0.03
Intangible Assets		
Computer Softwares	0.01	0.05
Current Period	41.78	8.22
Previous year	*211.37*	*27.70*

(Rupees Million)

	Particulars	As at 31st December 2014	As at 31st December 2013
11	**NON CURRENT INVESTMENTS**		
	Non Current Investments		
	Trade Investments - Others - Unquoted		
	(At cost)		
	240,958 equity shares of Rs. 10/- each fully paid up in Beta Wind Farm Pvt.Ltd.	4.58	4.58
	Total	4.58	4.58
12	**LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)**		
a	Capital advances	56.44	11.26
b	Security deposits	119.27	83.04
c	Advance Income Tax and Fringe benefit Tax (net of provision for tax)	335.04	219.80
d	Mat credit entitlement	828.44	913.85
e	Other loans and advances	59.71	62.76
	Total	1,398.90	1,290.71
13	**OTHER NON CURRENT ASSETS**		
a	Interest accrued on deposits	9.03	1.27
b	Unbilled services	95.69	-
c	Non current bank balances		
	Restricted bank balances (Refer note no. 16)	223.39	175.44
	Total	328.11	176.71
14	**CURRENT INVESTMENTS**		
	Non Trade Investments (Unquoted)		
	(At cost or fair value whichever is lower)		
	Investments in Mutual funds	1,850.96	3,378.06
	Total	1,850.96	3,378.06

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

Particulars	As at 31st December 2014		As at 31st December 2013	
15 TRADE RECEIVABLES (UNSECURED)				
a) Over six months from the due date				
Considered good	0.10		6.11	
Considered doubtful	45.92		49.36	
	46.02		55.47	
Less: Provision for doubtful receivables	45.92	0.10	49.36	6.11
b) Others				
Considered good	3,656.28		3,229.67	
Considered doubtful	15.19		19.35	
	3,671.47		3,249.02	
Less: Provision for doubtful receivables	15.19	3,656.28	19.35	3,229.67
Total		3,656.38		3,235.78
16 CASH AND CASH EQUIVALENTS				
a Cash in hand		0.01		0.01
b Balances with Banks				
In Current accounts	2,707.86		1,225.65	
Remittances in transit	0.31		-	
Bank deposit accounts with less than 3 months maturity	156.84	2,865.01	367.36	1,593.01
c Other Bank Balances:				
Earmarked balances with banks	106.05		99.46	
Unclaimed dividend accounts	96.76		55.18	
Margin money	20.58		20.80	
Bank deposit accounts with more than 12 months maturity	-		248.50	
Bank deposit accounts with more than 3 months and upto 12 months maturity	-	223.39	869.00	1,292.94
Cash and Bank balances		3,088.41		2,885.96
d 'AAA' rated demand deposits with a financial institution		-		300.00
e Bank balances reclassified as Non current Assets				
Restricted bank balances (Refer note no. 13)		(223.39)		(175.44)
Total		2,865.02		3,010.52
17 SHORT TERM LOANS AND ADVANCES (UNSECURED)				
a Considered good				
i. Security deposits	7.77		27.08	
ii. Advance Income Tax (net of provision for tax)	34.30		50.56	
iii. Other loans and advances (includes service tax receivable, prepaid expenses, employee advances etc.)	495.84	537.91	405.79	483.43
b Considered doubtful				
Security deposits	34.78		35.98	
Less : Provision for doubtful deposits	34.78	-	35.98	-
Total		537.91		483.43
18 OTHER CURRENT ASSETS				
Interest accrued on deposits		0.54		106.01
Unbilled services		1,229.44		1,027.81
Total		1,229.98		1,133.82

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

	For the year ended 31st December 2014	For the year ended 31st December 2013
19 OTHER INCOME		
Dividend from current investments	125.74	158.81
Profit / (Loss) on sale / diminution in value of Current Investments (Net)	0.44	(7.19)
Interest income	55.82	185.28
(Loss) / Profit on sale of fixed assets (Net)	(0.43)	7.86
Rental income	-	2.41
Miscellaneous income	46.19	25.57
Total	227.76	372.74
20 SOFTWARE AND DEVELOPMENT EXPENSES		
Consultant travel and related expenses	1,182.37	1,004.65
Software expenses (includes subcontracting charges) (Rs. 2453.72 Million (Rs. 2142.41 Million))	2,818.77	2,474.33
Total	4,001.14	3,478.98
21 EMPLOYEE BENEFIT EXPENSES		
Salary and allowances	12,791.29	10,789.87
Contribution to provident and other funds	1,506.23	1,181.80
Staff welfare expenses	298.81	247.57
Employee stock option compensation cost	-	(0.46)
Total	14,596.33	12,218.78

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees Million)

PARTICULARS	For the year ended 31st December 2014		For the year ended 31st December 2013	
22 OPERATIONS AND OTHER EXPENSES				
Rent (Refer note no 26)		257.18		224.67
Rates and taxes		38.60		28.50
Travelling and conveyance expenses		629.07		500.11
Electricity charges		178.06		171.95
Communication expenses		232.51		219.52
Repairs and maintenance		-		-
Buildings	24.49		25.13	
Plant and machinery	52.42		69.95	
Others	92.17		55.34	
Repairs and maintenance	------------------	169.08	-------------------	150.42
Printing and stationery		24.90		25.15
Auditors remuneration				
Audit fees	20.20		17.93	
Tax audit fees	2.12		1.70	
Certification work, Taxation and other matters	3.78		3.67	
	------------------	26.10	-------------------	23.30
Legal and professional fees		245.53		139.78
Advertisement and publicity		26.80		25.32
Seminar, conference and business promotion expenses		117.35		98.91
Bank and other charges		9.23		10.27
Directors' sitting fees		1.04		1.92
Insurance charges		53.36		49.98
Fixed assets written off		0.79		7.03
Debts and advances written off (net of recoveries Nil (Rs. 22.14 Million))		2.06		7.69
Provision for doubtful accounts (Net of write back Rs. 44.40 Million (Rs. 15.54 Million))		(1.52)		28.91
Staff recruitment expenses		142.81		66.06
Service charges		178.10		118.14
Miscellaneous expenses		112.65		135.79
Note : Miscellaneous Expenses includes Stamp Duty & Filing fees, Hiring charges, Registrar and Share Transfer expenses, Membership and Subscription, etc.		-------------------		------------------------
Total		2,443.70		2,033.42
		==========		============

23 **Contingent liability in respect of :**

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

b) Claims for taxes on income:

i. Where Company is in appeal

Income tax demands of Rs 8.99 million (Previous year Rs 112.38 million) have been raised in respect of assessments completed, arising from certain disallowances by the Income tax authorities. The Company has appealed against the orders and based on merits, expects favourable outcome. Hence no provision against such demand is considered necessary.

ii. Others:

In an earlier year, the CIT (A) had passed an order in favour of the Company against demand of Rs 23.79 million raised by the Assessing officer for AY 2008-09, which had arisen mainly due to disallowance of foreign exchange loss as business expenses. Against this, the Income Tax Department has filed an appeal with Income Tax Appellate Tribunal during the year and the matter is in process.

24 Current income tax expense comprises of taxes on income from operations in India and foreign jurisdictions. In respect of certain entities in the group, where the income tax year is different from the accounting year, provision for current tax is made on the basis of income for the respective accounting year, which will be adjusted considering the total assessable income for the tax year. Tax expense relating to overseas operation is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

25 Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 1,898.57 million (Previous year Rs. 223.77 million).

26 The Company takes on lease offices space and accommodation for its employees under various operating leases. The lease rentals towards non-cancellable operating lease agreements recognised in the Statement of Profit and Loss for the year are Rs. 257.18 million (Previous year Rs. 224.67 million).

The future minimum lease payments and payment profile of the non-cancellable operating leases are as follows:

Rupees Million

Particulars	As at 31st December 2014	As at 31st December 2013
Not Later than one year	142.55	137.53
Later than one year and not later than five years	308.61	118.53
Total	**451.16**	**256.06**

Non-cancellable rentals income recognised in the Statement of Profit and Loss on account of leased premises is Rs Nil (Previous year Rs 2.16 million).

27 **Derivative Instruments**

Forward exchange contracts to Sell US Dollar 183.86 million and Euro 2.74 million (Previous Year US Dollar 174.76 million and Euro 9.33 million) are outstanding as of 31st December, 2014.

Fair value net loss of the derivative instruments identified as cash flow hedges is Rs. 76.73 million (Previous Year of Rs. 52.80 million) as at 31st December, 2014.

Net loss of Rs. 253.01 million recognized in Hedging Reserve as at 31st December 2014 is expected to be recycled to Statement of Profit and Loss over two years.

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

Particulars	For the Year ended 31st December	
	2014	2013
Net profit after tax and before exceptional item (Rs. million)	3,267.15	3,791.35
Less: Exceptional Item	65.63	-
Net profit after exceptional item	3,201.52	3,791.35
Weighted average outstanding equity shares considered for basic EPS (Nos)	300,454,971	298,503,477
Basic Earnings per share (in Rs.)		
Before exceptional item	**10.87**	**12.70**
After exceptional item	**10.66**	**12.70**
Weighted average outstanding equity shares considered for basic EPS (Nos)	300,454,971	298,503,477
Add : Dilutive impact of employee stock options (Nos)	1,454,470	2,648,830
Weighted average outstanding equity shares considered for diluted EPS (Nos)	301,909,441	301,152,307
Diluted Earnings per share: (in Rs.)		
Before exceptional item	**10.82**	**12.59**
After exceptional item	**10.60**	**12.59**

29 Share Based Compensation (ESOP)

a) The Remuneration and Compensation Committee ('Committee') of the Company administers the stock options plans viz. ESOP 2002, 2007 and 2008 plan. Under the plan, employees of the Company as well as its subsidiaries are granted options entitling them to one equity share of Rs 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. Options vest in four equal instalments or as determined by the Committee. The term of the option is seven years from grant date. The closing dates being, dates after which no further options shall be granted, for ESOP 2007 and 2008 are 10th September 2014 and 29th June 2015 respectively.

b) Particulars of number of options granted and lapsed under the aforementioned Schemes are tabulated below

	ESOP - 2002		ESOP - 2007		ESOP - 2008		Total	
Particulars	**Options (nos.)**	**Weighted avg. ex. price per share (Rs.)**	**Options (nos.)**	**Weighted avg. ex. price per share (Rs.)**	**Options (nos.)**	**Weighted avg. ex. price per share (Rs.)**	**Options (nos.)**	**Weighted avg. ex. price per share (Rs.)**
Outstanding at the beginning of the year	67,500	12.45	2,735,525	49.39	37,500	42.85	2,840,525	48.43
	(257,164)	(12.48)	(6,080,233)	(36.26)	(115,179)	(29.65)	(6,452,576)	(35.20)
Exercised during the year	16,500	12.45	993,525	46.95	37,500	42.85	1,047,525	46.26
	(189,664)	(12.49)	(3,080,353)	(24.21)	(61,139)	(28.22)	(3,331,156)	(23.62)
Lapsed during the year	-	-	216,500	54.69	-	-	216,500	54.69
	(-)	(-)	(264,355)	(40.85)	(16,540)	(5.00)	(280,895)	(38.74)
Outstanding at the year end	51,000	12.45	1,525,500	50.23	-	-	1,576,500	49.01
	(67,500)	(12.45)	(2,735,525)	(49.39)	(37,500)	(42.85)	(2,840,525)	(48.43)
Exercisable as at the year end	51,000	12.45	1,041,750	42.64	-	-	1,092,750	41.23
	(67,500)	(12.45)	(1,382,025)	(34.86)	(-)	(-)	(1,449,525)	(33.82)

Previous Year figures are given in brackets.

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

Range of exercise price	As at 31st December,		As at 31st December,	
	Options (Nos)	Life	Options (Nos)	Life
12.45	429,500	14	807,000	27
30.70 - 42.85	137,000	24	347,000	39
51.98 - 79.85	1,010,000	39	1,686,525	52
Total	**1,576,500**		**2,840,525**	

d) The movement in Deferred employee compensation expense during the year is as follows:

Rupees million

Particulars	Year 2014	Year 2013
Balance at the beginning of the year	-	0.26
Less: Amortisation for the year	-	(0.46)
Less: Reversal due to forfeiture	-	0.72
Balance carried forward	-	-

e) The Company has followed the Intrinsic Value-based method of accounting for stock options granted. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance note on accounting for Employee Share-based payments issued by the ICAI, the Company's net income would be lower by Rs. 1.77 million (Previous year Rs. 14.05 million) and earnings per share (EPS) as reported would be lower as indicated below:

Particulars	Year 2014	Year 2013
Basic EPS		
As reported after exceptional item (in Rs.)	10.66	12.70
Adjusted (in Rs.)	10.65	12.65
Diluted EPS		
As reported after exceptional item (in Rs.)	10.60	12.59
Adjusted (in Rs.)	10.60	12.54

30 **Related party disclosures**

Names of related parties

Ultimate Holding Company and it's subsidiaries

Baring Private Equity Asia GP V. LP, Cayman Island (Ultimate holding company) (control exists)

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

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

Parel Investment Holdings Limited, Mauritius

Holding Company (control exists)

HT Global IT Solutions Holdings Limited, Mauritius

Key Management Personnel

Mr. Atul K. Nishar – Non Executive Chairman - (KMP upto 11th October 2013)

Mr. P. R. Chandrasekar - Vice Chairman and CEO (CEO Upto 27th July 2014)

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

Dr. (Mrs) Alka A Nishar – Director (upto 1st April 2013)

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

Mr Ramanan Seshadri - Whole Time Director of Hexaware Technologies UK Ltd (KMP upto 30th November 2013)

Mr Amrinder Singh - Whole Time Director of Hexaware Technologies UK Ltd (w.e.f. 2nd December 2013)

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

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

Mr Chinmoy Banerjee - Chief Executive Officer of Caliber Point Business Solutions Ltd (KMP upto 31st December 2013)

Others

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

Rupees Million

Particulars	Amount	Units/Options including restricted Stock units Outstanding as on 31-12-2014 (Nos)
Remuneration		
	-	-
Mr. Atul K. Nishar	(11.20)	(-)
	119.62	-
Mr R Srikrishna (including share based payment)	(-)	(-)
	93.88	-
Mr P R Chandrasekar	(81.61)	(-)
	11.15	-
Mr R V Ramanan	(28.88)	(125,000)
	-	-
Mr R U Srinivas	(9.09)	(-)
	43.10	12,500
Mr Rajiv Pant	(43.19)	(37,500)
	-	124,000
Mr. Ramanan Sheshadri	(21.81)	(124,000)
	-	-
Ms. Chinmoy Banarjee	(9.51)	(-)
	40.27	-
Ms. Amrinder Singh	(1.76)	(-)
Guest House Rent		
	0.89	-
Ms. Kala Ramanan	(0.70)	(-)
Closing Balances		
	78.52	-
Payables to KMP	(36.50)	(-)

31 **Employee benefit plans**

i) **Provident Fund, 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 assumptions mentioned below, there is no shortfall as at 31st December 2014.

Rupees Million

Particulars	**As at 31st December**	
	2014	**2013**
Present value of benefit obligation	1,823.09	1,528.62
Fair value of plan assets	1,823.09	1,528.62
Expected Investment Return	8.80%	8.71%
Remaining term of maturities of plan assets	7.70 years	8.21 years
Expected guaranteed interest rates	8.75%	8.75%

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 Rs.241.48 million (Previous year Rs 215.04 million) and Rs 9.70 million (Previous year Rs.8.11 million) respectively.

b) The Company contributed Rs 421.04 million (Previous year Rs. 357.68 million) towards various other defined contributions plans of subsidiaries located outside India during the year ended 31st December, 2014 as per laws of the respective country.

ii) **Gratuity Plan:**

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan for the year ended 31st December, 2014:

Rupees Million

Particulars	Year 2014	Year 2013
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**366.36**	**344.26**
Current service cost	71.27	74.18
Interest cost	38.56	32.80
Actuarial losses / (gains)	16.83	(65.51)
Benefits paid	(24.92)	(19.37)
Closing defined benefit obligation	***468.10***	***366.36***
Change in the Fair Value of Assets		
Opening fair value of plan assets	**283.06**	**201.41**
Expected return on plan assets	24.42	17.24
Actuarial gains	1.90	3.85
Contribution by employer	34.89	79.93
Benefits paid	(24.92)	(19.37)
Closing fair value of plan assets	***319.35***	***283.06***
Net liability as per actuarial valuation	***148.75***	***83.30***
Expense for the year		
Current service cost	71.27	74.18
Interest on defined benefit obligation	38.56	32.80
Expected return on plan assets	(24.42)	(17.24)
Actuarial losses / (gains)	14.93	(69.36)
Total Included in Employment expenses	***100.34***	***20.38***
Actual return on plan assets	**26.33**	**21.09**
Category of assets -Insurer Managed Fund #	**319.35**	**283.06**

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 Rs. 77.00 million to gratuity funds for the year ended 31st December, 2015.

Financial assumptions at the valuation date	Year 2014	Year 2013
Discount rate	8.15% to 8.20%	9.10% to 9.15%
Rate of increase in compensation levels of covered employees *	6% to 10%	6% to 10%
Expected Rate of Return on Plan assets **	7.5% to 8%	7.5% to 8%

* The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.

** Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC.

Rupees Million

Other details	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
Defined Benefit Obligation	468.10	366.36	344.26	268.97	237.18
Plan Assets	319.35	283.06	201.41	158.51	148.48
Surplus / (Deficit)	(148.75)	(83.30)	(142.85)	(110.46)	(88.70)
Experience Adjustment on Plan Liabilities	(33.10)	(35.11)	(18.49)	(2.15)	(16.39)
Experience Adjustment on Plan Assets	1.90	3.85	1.67	0.68	2.56

32 Provision Others' represents provisions towards expenditure relating to employee benefit obligations on contract acquisition (also in respect of travel expense and provision for loss on contract execution in previous year), the outflow for which is expected in the next year.

Rupees Million

Particulars	2014	2013
Provision at the beginning of the year	151.55	197.31
Provision made during the year	57.84	46.04
Paid /Adjusted during the year	(117.09)	(91.80)
Provision at the end of the year	92.30	151.55

33 The Company has entered into a large IT Service contract spread over a period of five years, which includes absorbing certain identified employees of the customer, along with related employee obligations. Exceptional items represent value of such employee obligations based on the crystallised restructuring plans in respect of said employees.

34 **Segments**

Primary Segment : Business Segments				(Rupees Million)		
Primary Segment : Business Segments	**Travel, Transportation, Hospitality and Logistics**	**Banking and Financial Services**	**Insurance and Healthcare**	**Manufacturing and Services**	**Others**	**Total**
Segment Revenue	4,609.40	9,284.67	3,561.64	4,986.80	3,374.26	25,816.77
	(4,147.05)	(7,793.18)	(3,572.94)	(4,557.25)	(2,783.06)	(22,853.48)
Segment Results	988.39	1,258.14	747.34	1,138.70	643.03	4,775.60
	(1,086.09)	(1,491.10)	(849.59)	(1,365.73)	(329.79)	(5,122.30)
Less: Unallocable expenses						813.19
						(698.03)
Add: Other Income						227.76
						(372.74)
Less: Interest						8.98
						(2.04)
Profit before tax						4,181.19
						(4,794.97)
Less: Provision for taxation						979.67
						(1,003.62)
Profit after tax						3,201.52
						(3,791.35)
Secondary Segment – Geographic Segment	**North America**	**Europe**	**India**	**Rest of the World**	**Total**	
Revenue attributable to location of customers	16,687.15	7,256.58	576.79	1,296.25	25,816.77	
	(15,183.19)	(6,130.53)	(468.71)	(1,071.05)	(22,853.48)	
Segment assets based on their locations	4,433.00	971.12	6,681.90	201.52	12,287.54	
	(3,425.14)	(662.22)	(5,602.99)	(161.52)	(9,851.87)	
Additions to fixed assets (including capital work in progress)	40.83	11.75	467.98	9.04	529.60	
	(60.39)	(3.77)	(307.54)	(10.68)	(382.38)	
Goodwill	1,490.58	143.96	-	-	1,634.54	
	(1,461.53)	(141.16)	(-)	(-)	(1,602.69)	

Notes

1. The Company has identified business segment as the primary segment. Segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational and the internal reporting system.

2. Revenues and expenses directly attributable to segments are reported under each reportable business segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

3. Assets and liabilities contracted have not been identified to any of the reportable segments as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly, no disclosure relating to segment assets and segment liabilities are made.

4. Previous year figures are given in brackets.

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

The Scheme has been given effect to in the standalone financial statements. The amalgamation has the impact of reducing General Reserve by Rs 41.12 million and increasing the balance in securities premium account by an equivalent amount in the consolidated financial statements.

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

For and on behalf of the board

Atul K. Nishar (Chairman)	**R. Srikrishna** (CEO & Executive Director)
P. R. Chandrasekar (Vice Chairman)	**Jimmy Mahtani** (Director)
Dileep Choksi (Director)	**Bharat Shah** (Director)
Basab Pradhan (Director)	**Christian Oecking** (Director)
Rajesh Kanani (Chief Financial Officer)	**Gunjan Methi** (Company Secretary)

Place : Mumbai
Date : 10th February, 2015