

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS  
OF HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**

Hexaware Technologies Asia Pacific Pte Ltd  
180 Cecil Street #11-02  
Bangkok Bank Building  
Singapore 069546

As requested by management, we have audited, for purposes of your holding company's consolidated financial statements of Hexaware Technologies Limited, the accompanying reporting package which comprise the balance sheet as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended 31 December 2019, and related notes and other explanatory information.

*Management's Responsibility for the Reporting Package*

Management is responsible for the preparation of the reporting package in accordance with the recognition and measurement criteria of the applicable financial reporting framework in Singapore and the disclosure and presentation requirements of the holding company as contained in the reporting package. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the reporting package that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement criteria of the applicable financial reporting framework in Singapore and the disclosure and presentation requirements of the holding company as contained in the reporting package; and making accounting estimates that are reasonable in the circumstances. The reporting package has been prepared solely for the purpose of inclusion in the consolidated financial statements of Hexaware Technologies Limited.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the reporting package based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the reporting package are free from material misstatement.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS  
OF HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD (...CONT'D)**

*Auditor's Responsibility (...cont'd)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the reporting package. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the reporting package 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the reporting package.

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, the accompanying reporting package for Hexaware Technologies Asia Pacific Pte Ltd for the year ended 31 December 2019, are prepared, in all material respects, in accordance with the Singapore Financial Reporting Standards.

**Restriction on Distribution and Use**

The reporting package has been prepared for purposes of providing information to Hexaware Technologies Limited to enable it to prepare the consolidated financial statements of the group. As a result, the reporting package is not a complete set of financial statements of Hexaware Technologies Asia Pacific Pte Ltd in accordance with the Singapore Financial Reporting Standards and is not intended to give a true and fair view of the financial position of Hexaware Technologies Asia Pacific Pte Ltd as of 31 December 2019 and of its financial performance, and its cash flows for the year ended 31 December 2019 in accordance with Singapore Financial Reporting Standards. The reporting package may not be suitable for another purpose. Our report is intended solely for Hexaware Technologies Asia Pacific Pte Ltd and Hexaware Technologies Limited and should not be distributed to or used by parties other than Hexaware Technologies Asia Pacific Pte Ltd and Hexaware Technologies Limited.



---

JBS PRACTICE PAC  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS

Singapore

23 January 2020

<b>HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD</b>			
<b>BALANCE SHEET AS AT 31ST DECEMBER 2019</b>			
			<b>Curr: SGD</b>
	<b>Note</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	64,137	154,369
<b>Financial Assets</b>			
- Investments	6	378,687	378,687
- Loans	8A	32,844	32,844
- Other financial assets	9A	10,365,884	408,444
<b>Total non-current assets</b>		<b>10,841,552</b>	<b>974,344</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
- Trade receivables	10	3,755,235	7,103,114
- Cash and cash equivalents	11	1,311,204	10,677,033
- Contract assets		1,361,229	320,002
- Loans	8B	10,702	10,702
- Other financial assets	9B	206,494	75,654
Other assets	12	2,894,617	168,494
<b>Total current assets</b>		<b>9,539,481</b>	<b>18,354,999</b>
<b>Total assets</b>		<b>20,381,033</b>	<b>19,329,343</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share capital	4	500,000	500,000
Other Equity		16,204,444	14,351,216
<b>Total equity</b>		<b>16,704,444</b>	<b>14,851,216</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
- Trade payables	15	1,757,999	1,385,113
- Other financial liabilities	13	897,793	917,978
Other current liabilities	14	528,485	579,931
<b>Provisions:</b>			
Employee benefit obligations in respect of compensated absences		127,157	181,043
Current Tax Liabilities		365,155	1,414,062
<b>Total current liabilities</b>		<b>3,676,589</b>	<b>4,478,127</b>
<b>Total equity and liabilities</b>		<b>20,381,033</b>	<b>19,329,343</b>
<i>The notes 1 to 26 form an integral part of the financial statements</i>			
Place : Singapore			
Date : 23rd January, 2020			



<b>HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD</b>			
<b>STATEMENT OF PROFIT AND LOSS</b>			
<b>FOR THE YEAR ENDED 31ST DECEMBER 2019</b>			
			<b>Curr: SGD</b>
		<b>For year ended</b>	
	<b>Notes</b>	<b>31st December 2019</b>	<b>31st December 2018</b>
<b>INCOME</b>			
Revenue from operations	16	18,888,009	25,309,898
Other Income	17	177,674	16,472
<b>Total Income</b>		<b>19,065,683</b>	<b>25,326,370</b>
<b>EXPENSES</b>			
Software and Development Expenses	18	10,187,787	11,544,827
Employee benefits expense	19	5,640,185	5,379,668
Operation and Other Expenses	20	754,568	812,999
Exchange Rate difference (net)		292,175	391,661
Depreciation and amortisation expense	5	99,907	131,367
<b>Total Expenses</b>		<b>16,974,622</b>	<b>18,260,522</b>
<b>Profit Before Tax</b>		<b>2,091,061</b>	<b>7,065,848</b>
Tax Expense			
- Current	7	237,833	1,287,277
<b>Profit for the year</b>		<b>1,853,228</b>	<b>5,778,571</b>
<b>Other comprehensive income</b>		-	-
<b>Total Comprehensive income for the year</b>		<b>1,853,228</b>	<b>5,778,571</b>
<b>Basic Earnings per share (In SGD)</b>			
Basic and Diluted	21	3.71	11.56
<i>The notes 1 to 26 form an integral part of the financial statements</i>			
Place : Singapore			
Date : 23rd January, 2020			



<b>HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD</b>			
<b>STATEMENT OF CHANGES IN EQUITY</b>			
<b>FOR THE YEAR ENDED 31ST DECEMBER 2019</b>			
<b>A. Equity Share Capital</b>			<b>Curr: SGD</b>
	<b>As at January 1, 2019</b>	<b>Changes during the year</b>	<b>As at December 31, 2019</b>
	500,000	-	500,000
	<b>As at January 1, 2018</b>	<b>Changes during the year</b>	<b>As at December 31, 2018</b>
	500,000	-	500,000
<b>B. Other Equity</b>			
	<b>Retained Earnings</b>	<b>Total</b>	
<b>Balances as at January 1, 2019</b>	14,351,216	14,351,216	
Profit for the year	1,853,228	1,853,228	
Other comprehensive income	-	-	
<b>Total comprehensive income for the year</b>	<b>1,853,228</b>	<b>1,853,228</b>	
<b>As at December 31, 2019</b>	<b>16,204,444</b>	<b>16,204,444</b>	
<b>Balances as at January 1, 2018</b>	8,572,645	8,572,645	
Profit for the year	5,778,571	5,778,571	
Other comprehensive income	-	-	
<b>Total comprehensive profit for the year</b>	<b>5,778,571</b>	<b>5,778,571</b>	
<b>As at December 31, 2018</b>	<b>14,351,216</b>	<b>14,351,216</b>	
<u>Description of component of other equity:</u>			
Retained earnings comprise of the accumulated undistributed earnings.			
<i>The notes 1 to 26 form an integral part of the financial statements</i>			
Place : Singapore			
Date : 23rd January, 2020			



<b>HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD</b>			
<b>CASH FLOW STATEMENT</b>			
<b>FOR THE YEAR ENDED 31ST DECEMBER 2019</b>			
			<b>Curr: SGD</b>
		<b>For year ended</b>	
<b>Particulars</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>	
<b>A Cash Flow from operating activities</b>			
<b>Net profit before tax</b>	2,091,061		7,065,848
<b>Adjustments for:</b>			
Depreciation and amortization expense	99,907		131,367
Interest Income	157,388		-
Write-back for doubtful accounts (net)	-		(534,837)
Debts written off	10,335		-
Exchange Rate Difference (net) - unrealised	(6,924)		197,021
<b>Operating Profit before working capital changes</b>	<b>2,351,767</b>		<b>6,859,399</b>
<b>Adjustments for:</b>			
Trade and other receivables	(560,647)		778,517
Trade and other payables	247,369		(811,702)
<b>Cash generated from operations</b>	<b>2,038,489</b>		<b>6,826,214</b>
Direct Taxes Paid (net)	(1,286,740)		(833,215)
<b>Net cash generated from operating activities</b>	<b>751,749</b>		<b>5,992,999</b>
<b>B Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(9,675)		(14,420)
<b>Net cash used in investing activities</b>	<b>(9,675)</b>		<b>(14,420)</b>
<b>C Cash flow from financing activities</b>			
Loans given to subsidiary	(9,957,440)		-
Interest accrued	(157,388)		-
<b>Net cash used in financing activities</b>	<b>(10,114,828)</b>		<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(9,372,754)</b>		<b>5,978,579</b>
Cash and cash equivalents at the beginning of the year	10,677,033		4,895,475
Less: Effect of changes in exchange rate	6,924		(197,021)
<b>Cash and cash equivalents at the end of the year (Refer Note. 11)</b>	<b>1,311,203</b>		<b>10,677,033</b>
The notes 1 to 26 form an integral part of the financial statements			
Place : Singapore			
Date : 23rd January, 2020			



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 Company Overview**

Hexaware Technologies Asia Pacific Pte. Ltd. (HTAPAC or the Company), incorporated in Singapore under the laws of the Singapore Companies Act, is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India (Hexaware or the Holding Company). These accounts have been prepared and audited for the purpose of consolidation with Holding Company.

The Company is engaged in information technology consulting, software development and business process management. Hexaware Technologies Asia Pacific Pte Ltd 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 and statement of compliance**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

**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 Singapore Dollars (S\$) 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:**

**(i) 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 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.

**(ii) Others**

Others areas involving estimates relates to provision for the doubtful debts and useful lives of property, plant and equipment.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.4 Revenue recognition**

Effective January 1, 2018, 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.

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 maintenance, testing and business process services 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 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 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 expenses on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation.





**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of 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 Balance Sheet date. 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.

**2.7 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**

Employee benefits are recognized as an expense.

**Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

**Employee leave entitlement**

Employee entitlements to annual leave are recognized when they accrue to employees. An accrual is made of estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

**2.9 Taxes on Income**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax liability is recognised for all taxable temporary differences arising on property, plant and equipment, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.10 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 follows:

<b>Asset Class</b>	<b>Estimated useful Life</b>
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

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.

**2.11 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. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company 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 - Tangible 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. 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.

**2.12 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.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.13 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 – measurement**

**(i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held with 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 with 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 associate**

Investment in associate is carried at cost less impairment, if any, in accordance with IAS27 - separate financial statements.

**(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.

**2.14 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.

**2.15 Earnings per share ('EPS')**

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. 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.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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 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 recognized 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 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.

**4 Equity Share Capital**

4.1 Issued, subscribed and paid-up capital

	<u>December 31, 2019</u> Amount	<u>December 31, 2018</u> Amount
Equity shares issued at no par value	<u>500,000</u>	<u>500,000</u>

4.2 There has been no movement in the number of shares during the period ended December 31st, 2019 and December 31st, 2018.

4.3 The Company has been a wholly owned subsidiary of Hexaware Technologies Limited since incorporation.

4.4 There were no shares allotted as fully paid up by way of bonus shares during five years preceding December 31st, 2019.

4.5 Rights, preferences and restrictions attached to equity shares

The Company only has one class of equity shares which is ordinary shares. Each shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5 Property, Plant and Equipment (PPE)**

Curr: SGD

PPE consist of the following:

	<u>Plant and Machinery</u>	<u>Furniture and Fixtures</u>	<u>Office Equipment</u>	<u>Total</u>
<b>COST</b>				
At January 1, 2019	320,191	117,565	246,972	684,728
Additions	5,965	3,710	-	9,675
At December 31, 2019	<u>326,156</u>	<u>121,275</u>	<u>246,972</u>	<u>694,403</u>
<b>ACCUMULATED DEPRECIATION</b>				
At January 1, 2019	198,545	100,778	231,036	530,359
Charge for the year	72,510	14,640	12,757	99,907
At December 31, 2019	<u>271,055</u>	<u>115,418</u>	<u>243,793</u>	<u>630,266</u>
<b>NET CARRYING AMOUNT</b>				
At December 31, 2019	<u>55,101</u>	<u>5,857</u>	<u>3,179</u>	<u>64,137</u>
<b>COST</b>				
At January 1, 2018	305,771	117,565	246,972	670,308
Additions	14,420	-	-	14,420
At December 31, 2018	<u>320,191</u>	<u>117,565</u>	<u>246,972</u>	<u>684,728</u>
<b>ACCUMULATED DEPRECIATION</b>				
At January 1, 2018	125,933	81,440	191,619	398,992
Charge for the year	72,612	19,338	39,417	131,367
At December 31, 2018	<u>198,545</u>	<u>100,778</u>	<u>231,036</u>	<u>530,359</u>
<b>NET CARRYING AMOUNT</b>				
At December 31, 2018	<u>121,646</u>	<u>16,787</u>	<u>15,936</u>	<u>154,369</u>

Note:

i) Plant and machinery includes computer systems



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

Curr: SGD

**6 Investments**

**Non current investments in equity shares (unquoted)**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
i) <u>Investments in equity instruments of fellow subsidiaries - At fair value through Other Comprehensive Income</u> 5,000 shares of SAR 10/- each in Hexaware Technologies Saudi LLC, Saudi Arabia	18,187	18,187
ii) <u>Investment in associate</u> 250,000 shares of USD 1/- each in Experis Technology Solutions Pte. Ltd.	360,500	360,500
	<u>378,687</u>	<u>378,687</u>

**7 Income tax**

Curr: SGD

**7.1 Income tax**

Income tax expense is allocated as follows :

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Income tax expense as per the Statement of Profit and Loss	237,833	1,287,277
Income tax included in Other Comprehensive Income	-	-
	<u>237,833</u>	<u>1,287,277</u>

**7.2 The reconciliation of estimated income tax expense at the Singapore statutory income tax rate to the income tax expenses reported in**  
**For year ended**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Profit before income-tax	2,091,061	7,065,848
Expected tax expense at the enacted tax rate of 17% in Singapore	355,481	1,201,194
<i>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :</i>		
Non deductible items	406	104,579
Income exempt from tax	-	(25,925)
Excess provision of taxes of earlier years	(127,322)	22,869
Tax rebate and exemption	(17,425)	(10,000)
Others	26,693	(5,440)
	<u>237,833</u>	<u>1,287,277</u>

Current income tax expense comprises of taxes on income from operations in Singapore. 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.

**8 Loans (Unsecured, considered good)**

**A Non-current**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Security deposits for premises and others	32,844	32,844
	<u>32,844</u>	<u>32,844</u>

**B Current**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Security deposits for premises and others	10,702	10,702
	<u>10,702</u>	<u>10,702</u>



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

Curr: SGD

**9 Other Financial Assets (unsecured)**

**A Non-current**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Restricted bank balances (a)	408,444	408,444
Loans and advances to related parties (Refer note no. 21.3)	9,957,440	-
	<u>10,365,884</u>	<u>408,444</u>

(a) Restriction on account of bank guarantee.

**B Current**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Interest receivable on loans to subsidiary (Refer note no. 21.2 & 21.3)	157,388	-
Loans and advances to related parties	36,102	56,679
Employee advances	13,004	18,975
	<u>206,494</u>	<u>75,654</u>

**10 Trade Receivables (unsecured)**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Considered good	3,755,235	7,103,114
Considered doubtful	3,053	396,124
Less: Allowance for doubtful receivables based on expected credit loss model	(3,053)	(396,124)
	<u>3,755,235</u>	<u>7,103,114</u>

The Company's credit period generally ranges from 30 - 60 days. The age wise break up of trade receivables, net of allowances is given below.

Not Due	1,267,832	2,495,434
Due less than 180 days	2,453,690	4,583,390
Due more than 180 days	36,766	420,414
	<u>3,758,288</u>	<u>7,499,238</u>
Average age (days)	73	102

**Movement in allowance for doubtful receivables**

Balance at the beginning of the year	396,124	930,961
Expense for the year	10,335	-
Written-off during the year	(403,406)	-
Write-back for doubtful accounts (net)	-	(534,837)
Balance at the end of the year	<u>3,053</u>	<u>396,124</u>



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

Curr: SGD

**11 Cash and Cash Equivalents**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Remittance in transit	188,550	-
In current accounts with banks	1,122,654	10,677,033
Margin money with banks	408,444	408,444
Less: Restricted bank balances	(408,444)	(408,444)
	<u>1,311,204</u>	<u>10,677,033</u>

**12 Other Assets (unsecured)**

**Current**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Prepaid Expenses	51,188	82,169
Advance to Suppliers	2,759,287	-
Others	84,142	86,325
	<u>2,894,617</u>	<u>168,494</u>

**13 Other Financial Liabilities**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Employee liabilities Payable	42,580	99,651
Accrued expenses	855,213	818,327
	<u>897,793</u>	<u>917,978</u>

**14 Other Current Liabilities**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Contract liabilities	284,558	358,484
Statutory liabilities	243,927	221,447
	<u>528,485</u>	<u>579,931</u>

**15 Trade Payables**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Trade payables	1,757,999	1,385,113
	<u>1,757,999</u>	<u>1,385,113</u>

Above balance of trade payable include balances with related parties (refer note 22.3)





**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**16 Revenue from operations**

Curr: SGD

**16.1 The disaggregated revenue with the customers for the year ended 31 December 2019 by contract type:**

	<u>For the year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Time and Material contracts	9,602,646	6,000,281
Others	9,285,363	19,309,617
<b>Total revenue from operations</b>	<b><u>18,888,009</u></b>	<b><u>25,309,898</u></b>

**16.2 The revenue from contracts as per geography for the year ended 31 December 2019 is as under:**

	<u>For the year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
APAC	15,461,881	22,220,200
Europe	3,305,701	2,991,518
Rest of the world	120,427	98,180
<b>Total revenue from operations</b>	<b><u>18,888,009</u></b>	<b><u>25,309,898</u></b>

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

	<u>For the year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Contracted price	18,888,009	25,309,898
<b>Revenue recognised</b>	<b><u>18,888,009</u></b>	<b><u>25,309,898</u></b>

**16.4 Changes in unearned revenue are as follows:**

	<u>For the year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance as at 1 January 2018	358,484	99,858
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(358,484)	(99,858)
Increase due to invoicing during the year, excluding revenue recognised as revenue during the year	284,558	358,484
<b>Balance as at 31 December 2019</b>	<b><u>284,558</u></b>	<b><u>358,484</u></b>

**16.5 Changes in unbilled revenue are as follows:**

	<u>For the year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance as at 1 January 2018	320,002	2,611,652
Invoices raised during the year that was included in the unbilled revenue balance at the beginning of the year	(320,002)	(2,611,652)
Revenue recognised during the year for which the contractual right to receive consideration is not due at the end of the year	1,361,229	320,002
<b>Balance as at 31 December 2019</b>	<b><u>1,361,229</u></b>	<b><u>320,002</u></b>



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

Curr: SGD

17 Other Income	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Interest income	163,038	-
Miscellaneous income	14,636	16,472
	<u>177,674</u>	<u>16,472</u>

Above represents interest accrued on loan to subsidiary (refer note 22.2)

18 Software and Development Expenses	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Consultant travel and related expenses	226,932	345,856
Software expenses *	9,960,855	11,198,971
	<u>10,187,787</u>	<u>11,544,827</u>
*Sub contracting charges	<u>6,955,986</u>	<u>9,549,049</u>

19 Employee Benefits Expense	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Salary and allowances	5,473,111	5,172,647
Contribution to provident and other funds	143,131	171,670
Staff welfare expenses	23,943	35,351
	<u>5,640,185</u>	<u>5,379,668</u>

20 Operation and Other Expenses	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Rent	178,893	137,191
Rates and taxes	(15,040)	85,994
Travelling and conveyance	137,160	128,863
Electricity charges	7,653	6,150
Communication expenses	44,603	42,679
Repairs and maintenance	27,083	296,883
Printing and stationery	6,446	4,745
Auditors remuneration	55,200	52,838
Legal and professional fees	6,996	25,629
Advertisement and business promotion	147,285	106,885
Bank and other charges	13,553	14,491
Directors' sitting fees	5,732	4,109
Insurance charges	80,119	64,541
Debts and advances written off *	10,335	195,426
Provision for doubtful accounts (net of write back)	-	(534,837)
Staff recruitment expenses	6,499	162,028
Service charges	9,600	10,400
Miscellaneous expenses	32,451	8,984
	<u>754,568</u>	<u>812,999</u>

\* net of write back - 534,837



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**21 Earnings Per Share**

The components of basic and diluted earnings per share (EPS) were as follows:

	Curr:SGD	
	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Net profit after tax	1,853,228	5,778,571
Weighted average outstanding equity shares considered for basic EPS (Nos.)	500,000	500,000
Basic earnings per share (In SGD)	<u>3.71</u>	<u>11.56</u>
Weighted average outstanding equity shares considered for basic EPS (Nos.)	500,000	500,000
Add : Effect of dilutive issue of stock options (Nos.)	-	-
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	500,000	500,000
Diluted earnings per share	<u>3.71</u>	<u>11.56</u>

**22 Related Parties**

**22.1 Name of related parties and description of relationship:**

Ultimate Holding Company & its subsidiaries	-	Baring Private Equity Asia GP V, LP The Baring Asia Private Equity Fund V, LP Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius HT Global IT solutions Holding Limited, Mauritius
Holding Company	-	Hexaware Technologies Limited, India
Fellow Subsidiary	-	Hexaware Technologies Inc. – United States of America Hexaware Technologies UK Ltd, United Kingdom Hexaware Technologies Hong Kong Limited Guangzhou Hexaware Information Technologies Company Limitec Hexaware Information Technologies (Shanghai) Co. Ltd Hexaware Technologies Saudi LLC, Saudi Arabia
Key Management Personnel	-	Mr. Amallesh Mishra – Director
Associate Company	-	Experis Technology Solutions Pte Ltd - Singapore

**22.2 Nature of Transaction**

	Curr:SGD	
	<u>For year ended</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>1) Expenditure</b>		
A Holding Company		
Receiving of services	5,312,752	4,587,914
B Fellow Subsidiary		
Hexaware Technologies Hong Kong Limited	1,275,127	2,217,275
Guangzhou Hexaware Information Technologies Company Limitec	-	156,109
Hexaware Information Technologies (Shanghai) Co. Ltd	112,784	-
Hexaware Technologies UK Ltd, United Kingdom	-	15,004
<b>2) Reimbursement of costs</b>		
A Holding Company	334,311	566,106
B Fellow Subsidiary		
Hexaware Technologies Hong Kong Limited	295,532	323,160
Guangzhou Hexaware Information Technologies Company Limited	-	9,367
Hexaware Technologies UK Ltd, United Kingdom	529,813	529,162
Hexaware Technologies Inc. – United States of America	113,761	130,635
<b>3) Recovery of cost / advances during the year</b>		
A Holding Company	17,534	-
B Hexaware Technologies UK Ltd, United Kingdom	7,309	-
C Hexaware Technologies Inc. - United States of America	181,732	252,713
<b>4) Interest on loan to subsidiary</b>		
A Holding Company	157,388	-

	Curr:SGD	
	<u>As at December 31, 2019</u>	<u>As at December 31, 2018</u>
	<b>22.3 Closing balance</b>	
<b>1) Advances</b>		
A Hexaware Technologies Limited	2,771,240	-
B Hexaware Technologies Inc. - United States of America	20,989	56,679
C Hexaware Technologies UK Ltd, United Kingdom	-	-
D Hexaware Information Technologies (Shanghai) Co. Ltd	3,161	-
<b>2) Loans given</b>		
Hexaware Technologies Inc. - United States of America	9,957,440	-
<b>3) Trade Payables</b>		
A Hexaware Technologies Limited	769,538	473,232
B Fellow Subsidiary		
Hexaware Technologies UK Ltd, United Kingdom	37,564	61,922
Hexaware Technologies Inc. – United States of America	-	2,806
Hexaware Information Technologies (Shanghai) Co. Ltd	13,456	-
Hexaware Technologies Hong Kong Limited	118,543	146,533
<b>4) Investment in equity instruments</b>		
Fellow Subsidiary	18,187	18,187
<b>5) Investment in associate</b>	360,500	360,500





**23 Financial Instruments (Cont'd)**

**23.2 Financial risk management**

The Company has identified the risks under verticals like 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.

**Client concentration risk**

98% of the revenue of 2019 is generated from top 10 clients. 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 we add more clients and grow our revenues from the existing clients, we naturally reduce our dependence on the large clients. Moreover, large clients allow quick scaling up of revenues and they come with much higher margins due to lower associated cost and higher cost predictability.

**Credit risk**

Since most of our transactions are done in credit we are exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose us to credit risk and can impact our profitability. Our maximum credit exposure is in respect of trade receivables of SGD 3,755,235 and SGD 7,103,114 as at December 31, 2019, December 31, 2018 respectively and unbilled revenue of SGD 1,361,229, SGD 320,002 as at December 31, 2019, December 31, 2018 respectively.

Our DSO including unbilled revenue to 99 days and 107 days as on December 31, 2019 and December 31, 2018 respectively.

Top 10 customer dues (including unbilled revenue) contribute 97.22% of the total outstanding as at December 31, 2019 (97.69% 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 Company's transactions are predominantly SGD and incurs foreign currency risk on transactions that are denominated by currency other than SGD such as USD, EUR, HKD etc. The Company do not hedge any currency exposures.

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.

**Curr: SGD**

The following table analyses foreign currency risk from financial instruments as at December 31, 2019:

	<u>USD</u>	<u>EUR</u>	<u>HKD</u>	<u>GBP</u>	<u>AUD</u>
Net financial assets	1,616,542	180,182	2,479,891	124,166	-
Net financial liabilities	161,131	-	-	21,160	4,041
Net assets/(liabilities)	<u>1,455,411</u>	<u>180,182</u>	<u>2,479,891</u>	<u>103,006</u>	<u>(4,041)</u>

**Curr: SGD**

The following table analyses foreign currency risk from financial instruments as at December 31, 2018:

	<u>USD</u>	<u>EUR</u>	<u>HKD</u>	<u>GBP</u>	<u>AUD</u>
Net financial assets	15,809,728	247,682	914,470	43,314	-
Net financial liabilities	315,788	-	166,774	61,922	17,431
Net assets/(liabilities)	<u>15,493,940</u>	<u>247,682</u>	<u>747,696</u>	<u>(18,608)</u>	<u>(17,431)</u>

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 SGD 283,794 and SGD 2,156,750 for the year ended December 31, 2019 and December 31, 2018, respectively.



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**23 Financial Instruments (Cont'd)**

**23.3 Liquidity risk**

The Company needs continuous access to funds to meet short and long term strategic investments. The Company inability to meet such requirements in stipulated period may hamper growth plan and even ongoing operations. Further, the Company inability to quickly convert assets into cash without incurring any appreciable loss will expose it to liquidity risks.

Over the years, the Company has increased its liquidity position by improving its DSO and maintaining high cash / bank balance and investments.

As at December 31, 2019, the Company had total cash / bank balance of SGD 1,311,204 which constitutes 6% of our total assets. The Company does not have any debt.

The tables below provide details of the contractual maturities of significant financial liabilities as at:

	<u>Less than 1 year</u>	<u>Curr: SGD Total</u>
<b>As at December 31, 2019</b>		
Trade payables	1,757,999	1,757,999
Derivative financial liabilities	-	-
Others (Refer note 13)	897,793	897,793
<b>Total</b>	<u>2,655,792</u>	<u>2,655,792</u>
<b>As at December 31, 2018</b>		
Trade payables	1,385,113	1,385,113
Derivative financial liabilities	-	-
Others (Refer note 13)	1,136,510	1,136,510
<b>Total</b>	<u>2,521,623</u>	<u>2,521,623</u>

**Interest rate risk**

The Company does not have any debt. The balances with banks and financial institution is in the form of fixed interest rate deposits. Hence the Company is not significantly exposed to interest rate risk.

- 24 The Company recognized SGD 143,131/- (Previous Year SGD 171,670/-) for Pension contribution in the statement of profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

**25 Segment disclosures**

25.1 The reportable business segments have been identified taking into account the services offered to customers operating in different industry segments based on management approach. The Chief Operating Decision Maker evaluates the company's performance and allocates resources based on analysis of various performance indicators by below business. The Company'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) Insurance and healthcare (H & I)
- iv) Manufacturing, Consumer and Others (MC&O)
- v) Professional Services Group (PS)

The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments.

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



**HEXAWARE TECHNOLOGIES ASIA PACIFIC PTE LTD**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

**25 Segment disclosures (Cont'd)**

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

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

Assets and liabilities used in company's business are not been identified to any of the reportable business 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.

25.2 Segment reporting

25.2.1 Segment reporting for year ended 31st Dec 2019.

Curr: SGD

Primary Segment: Business segments						
Particulars	T & T	BFS	H & I	M C & O	PS	Total
Segment Revenue	5,425,697	4,637,660	2,630,723	6,085,358	108,571	18,888,009
Segment Results -Profit /(loss)	662,244	573,578	323,455	728,917	17,275	2,305,469
Exchange Rate difference (net)						(292,175)
Depreciation and amortisation expense						(99,907)
Add: Other income						177,674
<b>Profit Before Tax</b>						<b>2,091,061</b>
Less: Tax for the year						237,833
<b>Profit After Tax</b>						<b>1,853,228</b>

25.2.2 Segment reporting for year ended 31st Dec 2018.

Primary Segment: Business segments						
Particulars	T & T	BFS	H & I	M C & O	PS	Total
Segment Revenue	13,938,134	3,523,654	2,175,556	5,221,863	450,691	25,309,898
Segment Results -Profit /(loss)	6,221,272	305,906	172,395	767,642	105,189	7,572,404
Add / (Less) : Unallocable Expenses						(391,661)
Depreciation and amortisation expense						(131,367)
Add : Other income						16,472
Profit before tax						7,065,848
Less : Tax for the year						1,287,277
<b>Profit for the year</b>						<b>5,778,571</b>

25.3 Customer Information

Customer accounting for revenue in excess of 10% of revenue

	Segment	Year Ended	
		December 31, 2019	December 31, 2018
Customer A	T & T	2,369,791	11,703,047
Customer B	M C & O	6,046,169	5,111,358
Customer C	BFS	3,115,296	2,804,789

25.4 Company operates mainly in local markets and in the opinion of the management, it has only one reportable geographical segment, the results of which are disclosed in FS

**26 Material events after Balance Sheet date**

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

Place : Singapore  
Date : 23rd January, 2020

