

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

Report on the Condensed Interim Financial Statements

We have audited the accompanying condensed financial statements of **HEXAWARE TECHNOLOGIES LTD** ("the Company"), which comprise the Condensed Balance Sheet as at March 31, 2013, the Condensed Statement of Profit and Loss and the Condensed Cash Flow Statement for the quarter ended March 31, 2013 and the selected Explanatory Notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these condensed 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements 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 condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

- (a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the quarter ended on that date; and
- (c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the quarter ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

sd/-
R. D. Kamat
Partner
Membership No. 36822

Mumbai, April 29, 2013

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. Million)

Particulars	Note No.	As at 31st March '13	As at 31st December '12
I. EQUITY AND LIABILITIES			
Share holders' funds			
a. Share capital	2	596.62	593.09
b. Reserves and surplus	3	9,880.60	9,253.03
		10,477.22	9,846.12
Share application money pending allotment	2	3.21	0.38
Non-current liabilities			
a. Deferred tax liabilities (net)	4	76.42	101.79
b. Other Long term liabilities	5	18.51	76.23
c. Long-term provisions - Employee benefits		234.30	232.16
		329.23	410.18
Current liabilities			
a. Trade payables		1,318.56	1,385.82
b. Other current liabilities	6	620.31	847.70
c. Short term provisions	7	1,060.24	633.91
		2,999.11	2,867.43
Total		13,808.77	13,124.11
II. ASSETS			
Non-current assets			
a. Fixed assets	8		
i. Tangible assets		2,537.47	2,441.28
ii. Intangible assets		65.20	70.98
iii. Capital work-in-progress		655.88	756.76
		3,258.55	3,269.02
b. Non-current investments	9	2,009.52	2,010.02
c. Long-term loans and advances	10	971.31	1,007.49
d. Other non-current assets	11	322.09	163.38
		6,561.47	6,449.91
Current assets			
a. Current investments	12	2,449.20	2,349.83
b. Trade receivables	13	2,198.83	2,521.07
c. Cash and cash equivalents	14	1,939.79	1,103.17
d. Short-term loans and advances	15	516.91	598.17
e. Other current assets	16	142.57	101.96
		7,247.30	6,674.20
Total		13,808.77	13,124.11
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	1 to 27		

In terms of our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the board

sd/-
R. D. Kamat
Partner

sd/-
R. V. Ramanan
(Executive Director and President
Global Delivery

sd/-
Shailesh Haribhakti
(Director)

Place : Mumbai
Date : April 29th, 2013

HEXAWARE TECHNOLOGIES LIMITED
CONDENSED STATEMENT OF PROFIT AND LOSS FOR QUARTER ENDED 31ST MARCH 2013

(Rs. Million)

Particulars	Note No.	For the quarter ended	
		31st March '13	31st March '12
I. INCOME			
a. Revenue from operations		2,318.30	2,129.63
b. Other income	17	83.13	161.26
		2,401.43	2,290.89
II. EXPENSES			
a. Software and development expenses	18	123.89	120.55
b. Employee benefits expenses	19	1,137.94	994.03
c. Operation and other expenses	20	223.20	198.77
d. Exchange rate difference (net)		(37.58)	(26.42)
e. Interest - others		0.00	0.01
f. Depreciation and amortisation expenses	8	76.54	57.77
		1,523.99	1,344.71
Profit before tax		877.44	946.18
Tax expense			
a. Income tax - Current (includes for prior year Rs. 1.27 million (Rs. Nil))		173.64	176.59
b. MAT credit adjustment / entitlement		22.85	(83.83)
c. Net current tax expense		196.49	92.76
d. Income tax - Deferred		(25.37)	22.94
		171.12	115.70
Profit for the year		706.32	830.48
Earnings per share (in Rupees)	23		
Basic		2.38	2.83
Diluted		2.35	2.77
Face value of equity share (in Rupees)		2.00	2.00
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	1 to 27		
In terms of our attached report of even date			
For Deloitte Haskins & Sells		For and on behalf of the board	
Chartered Accountants			
sd/-	sd/-	sd/-	
R. D. Kamat	R. V. Ramanan	Shailesh Haribhakti	
Partner	(Executive Director and President Global Delivery)	(Director)	
Place : Mumbai			
Date : April 29th, 2013			

HEXAWARE TECHNOLOGIES LIMITED
CASH FLOW STATEMENT FOR THE QUARTER ENDED 31ST MARCH 2013

(Rs. Million)

Particulars	For the quarter ended 31st March	
	2013	2012
A Cash flow from operating activities		
Net Profit before tax	877.44	946.18
Adjustments for :		
Depreciation and amortisation	76.54	57.77
Employees share based payment cost	(0.46)	0.48
Dividend from current investments	(44.19)	(8.51)
Dividend from subsidiary company	-	(46.67)
Interest income	(31.59)	(87.48)
Provision for doubtful accounts (net)	9.12	(4.27)
Loss on sale of investments / closure of subsidiary (net)	0.17	-
Bad Debts written off	-	2.05
Deferred cancellation gain / (loss) relating to roll-over cash flow hedges	148.42	(49.55)
Profit on sale of fixed assets (net)	(2.49)	(0.17)
Interest expense	0.00	0.01
Exchange rate difference	2.69	0.19
Provision for obsolete asset	7.04	-
Operating Profit before working capital changes	1,042.69	810.03
Adjustments for :		
Trade and other receivables	285.94	16.03
Trade and other payables	(160.46)	(238.23)
Cash generated from operations	1,168.17	587.83
Direct taxes paid	(103.48)	(164.20)
Net cash from operating activities	1,064.69	423.63
B Cash flow from investing activities		
Purchase of fixed assets	(84.75)	(209.58)
Proceeds from reduction of trade investment	0.45	64.23
Purchase of other investments	(7,912.72)	(3,819.17)
Interest received (net of tax Rs. 6.32 million (Rs. 17.17 million))	38.23	71.07
Proceeds from sale / redemption of investments	7,813.23	3,113.75
Dividend from subsidiary company (net of tax Rs. Nil (Rs. 9.33 million))	-	37.34
Dividend from current investments	44.19	8.51
Proceeds from sale of fixed assets	2.53	0.19
Net cash used in investing activities	(98.84)	(733.66)
C Cash flow from financing activities		
Proceeds from issue of shares	24.26	25.99
Share application money received / (adjusted)	2.84	2.03
Interest paid	0.00	(0.01)
Dividend paid (including corporate dividend tax)	(5.14)	(0.00)
Net cash used in financing activities	21.96	28.01
Net Increase / (Decrease) in cash and cash equivalents	987.81	(282.02)
Cash and cash equivalents at the beginning of the year	1,100.55	3,363.31
Cash and cash equivalents at the end of the period (Refer Note No. 1 below)	2,088.36	3,081.29
Notes:		
1 Components of cash and cash equivalents comprise the following : (Refer Note no. 14 of notes forming part of financial statements)		
Cash and Bank Balances	1,431.95	2,120.29
Add : "AAA" rated demand deposits with financial institution	807.50	1,107.50
Less : Unrealised gain on foreign currency cash and cash equivalents	(0.07)	1.29
Less : Restricted bank balances	151.16	145.21
Total Cash and Cash equivalents	2,088.36	3,081.29
2 Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.		
3 The Previous period's figures have been regrouped wherever necessary.		
In terms of our attached report of even date		
For Deloitte Haskins & Sells Chartered Accountants	For and on behalf of the Board	
sd/-	sd/-	sd/-
R. D. Kamat Partner	R. V. Ramanan (Executive Director and President Global Delivery	Shailesh Haribhakti (Director)
Place : Mumbai		
Date : April 29th, 2013		

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BACKGROUND

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

These condensed interim financial statements have been prepared using the same basis / accounting policies as those used for the audited financial statements for the year ended on 31st December 2012 and considering the requirements of Accounting Standard 25 "Interim financial reporting".

Particulars	(Rs. Million)	
	As at 31st March '13	As at 31st December '12
2. SHARE CAPITAL		
a. Authorised		
325,000,000 Equity shares of Rs. 2/- each	650.00	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	<u>2,213.10</u>	<u>2,213.10</u>
b. Issued, subscribed and paid-up capital		
Equity Shares of Rs. 2/- each fully paid	596.62	593.09
Total	<u>596.62</u>	<u>593.09</u>

c. Reconciliation of number of shares

Particulars	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	296,544,791	593.09	293,358,428	586.72
Shares Issued during the period / year	1,764,086	3.53	3,186,363	6.37
Shares outstanding at the end of the period / year	298,308,877	596.62	296,544,791	593.09

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

Name of Shareholder	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
i. Elder Infosystems Pvt. Ltd.	52,154,456	17.48	52,154,456	17.59
ii. Elder Venture LLP	30,568,000	10.25	30,030,000	10.13
iii. Dali Limited	28,627,294	9.60	28,627,294	9.65
iv. GA Global Investments Ltd.	21,139,580	7.09	21,139,580	7.13
v. J P Morgan Chase Bank, NA - (unregistered ADR's held by GA Global Investments Ltd.)	21,111,400	7.08	21,111,400	7.12

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

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

f. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, 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 scheme. Each option entitles the holder to one equity shares of Rs. 2 each. 4,513,595 options were outstanding as on 31st March 2013.

h. Shares application money

As at 31st March 2013, the Company received applications for the allotment of 215,653 (30,193 as at 31st December 2012) equity shares on exercise of ESOP. Total share application money received is Rs. 3.21 million (Rs. 0.38 million as at 31st December, 2012) of which Rs. 2.78 million (Rs. 0.32 million as at 31st March 2012) is towards securities premium. Shares are being allotted subsequent to the period end. The Company has sufficient authorised capital to cover the allotment of these shares.

i. The Board of Directors, at its meeting held on April 29th, 2013 has recommended an interim dividend of Rs. 1.20/- per equity share.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at 31st March '13	As at 31st December '12
3. RESERVES AND SURPLUS		
a. Securities premium account		
Opening balance	4,578.74	4,521.83
Add : Received during the period / year	20.73	53.45
Add : Transfer from employee stock option outstanding	3.08	3.46
Closing balance	4,602.55	4,578.74
b. Employee stock options outstanding		
Opening balance	4.41	8.32
Less : Reversal on forfeiture / lapse of stock options granted	0.72	0.45
Less : Transfer to securities premium account on exercise of stock options	3.08	3.46
	0.61	4.41
Less : Deferred employee compensation expenses	-	0.26
Closing balance	0.61	4.15
c. General reserve		
Opening balance	1,542.87	1,242.87
Add : Transfer from statement of profit and loss	-	300.00
Closing balance	1,542.87	1,542.87
d. Hedging reserve		
Opening balance	(697.62)	(904.93)
Less : Losses transferred to statement of profit and loss on occurrence of forecasted hedge transaction	127.95	570.75
Less : Changes in the fair value of the effective portion of outstanding cash flow hedges	189.07	(363.44)
Closing balance	(380.60)	(697.62)
e. Amalgamation reserve	2.88	2.88
	2.88	2.88
f. Special Economic Zone Re-investment reserve		
Opening balance	-	-
Add : Transfer from statement of profit and loss	218.10	-
Closing balance	218.10	-
g. Balance in statement of profit and Loss		
Opening balance	3,822.01	3,129.17
Add : Profit for the period / year	706.32	2,856.03
	4,528.33	5,985.20
Less : Appropriations		
Transfer to Special Economic Zone Re-investment reserve	218.10	-
Interim dividend - equity	357.97	1,247.27
Proposed dividend - equity	-	355.85
Tax on dividend	58.07	260.07
Transfer to general reserve	-	300.00
Closing balance	3,894.19	3,822.01
Total	9,880.60	9,253.03

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at 31st March '13	As at 31st December '12
4. DEFERRED TAX LIABILITIES		
Deferred tax liabilities		
a. Depreciation	85.39	77.75
b. Deferred cancellation loss relating to roll-over of Cash flow hedges	60.78	86.18
	146.17	163.93
Less : Deferred tax assets		
a. Employee benefits	46.03	38.52
b. Provision others	23.72	23.62
	69.75	62.14
Total	76.42	101.79
5. OTHER LONG TERM LIABILITIES		
a. Capital creditors	5.47	16.49
b. Liability for mark to market losses on derivative contracts	13.04	59.74
Total	18.51	76.23
6. OTHER CURRENT LIABILITIES		
a. Unearned revenues	21.24	28.67
b. Unclaimed dividend *	44.73	45.63
c. Other payables		
i. Employee related	182.08	148.92
ii. Statutory liabilities	129.55	111.32
iii. Deposit received for leased premises	9.00	28.32
iv. Capital creditors	120.59	121.07
v. For expenses	113.12	205.48
vi. For mark to market losses on derivative contracts	-	158.29
* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
Total	620.31	847.70
7. SHORT TERM PROVISIONS		
a. For employee benefits	40.50	39.58
b. Proposed dividend	713.82	355.85
c. Tax on proposed dividend	115.80	57.73
d. For tax (net of advance tax)	43.90	10.93
e. Others (Refer Note no. 25)	146.22	169.82
Total	1,060.24	633.91

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

8. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.01.2013	Additions	Deductions/ Adjustments	As at 31.03.2013	As at 01.01.2013	For The period	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.12.2012
i. Tangible Assets										
Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
Land - Leasehold	330.44	-	-	330.44	20.52	0.86	-	21.38	309.06	309.92
Building	1,466.77	92.32	-	1,559.09	82.03	6.26	-	88.29	1,470.80	1,384.74
Plant and Machinery	1,066.60	29.57	25.50	1,070.67	736.29	29.08	25.26	740.11	330.56	330.31
Office Equipments	517.61	35.07	0.80	551.88	275.14	21.49	0.81	295.82	256.06	242.47
Furniture and Fixtures	430.63	2.98	-	433.61	259.37	9.20	-	268.57	165.04	171.26
Vehicles	28.40	3.72	12.36	19.76	25.97	0.35	12.36	13.96	5.80	2.43
Total	3,840.60	163.66	38.66	3,965.60	1,399.32	67.24	38.43	1,428.13	2,537.47	2,441.28
<i>Previous year</i>	<i>3,256.33</i>	<i>592.31</i>	<i>8.04</i>	<i>3,840.60</i>	<i>1,172.08</i>	<i>234.12</i>	<i>6.88</i>	<i>1,399.32</i>	<i>2,441.28</i>	
ii. Intangible Assets										
Software	176.74	3.32	(0.20)	180.26	105.76	9.30	-	115.06	65.20	70.98
Total	176.74	3.32	(0.20)	180.26	105.76	9.30	-	115.06	65.20	70.98
<i>Previous year</i>	<i>109.83</i>	<i>66.05</i>	<i>(0.86)</i>	<i>176.74</i>	<i>69.57</i>	<i>35.33</i>	<i>(0.86)</i>	<i>105.76</i>	<i>70.98</i>	
iii. Capital work-in-progress (in respect of buildings under construction)				655.88					655.88	756.76
Grand total	4,017.34	166.98	38.46	4,801.74	1,505.08	76.54	38.43	1,543.19	3,258.55	3,269.02

Notes:

- a) Land - Leasehold includes Rs. 285.32 million and Rs. 17.88 million (Previous Year Rs. 17.12 million) being lease premium and accumulated amortization in respect of leasehold land allotted to the Company at Pune and Nagpur for which final lease agreement is being executed.
- b) Plant and machinery includes Computer systems.

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at 31st March '13	As at 31st December '12
9. NON-CURRENT INVESTMENTS		
Trade investments (unquoted) (at cost) - in subsidiary companies		
a. 30,026 common stock at no par value in Hexaware Technologies Inc., U.S.A.	1,632.68	1,632.68
b. 2,167,000 shares of 1 GBP each fully paid up in Hexaware Technologies UK Ltd.	154.64	154.64
c. 5,00,000 shares of Singapore \$ 1/- each fully paid up in Hexaware Technologies Asia-Pacific Pte. Ltd., Singapore	12.48	12.48
d. 3,618 shares of face value 50 euro each fully paid up in Hexaware Technologies GmbH., Germany	7.57	7.57
e. 1 common stock at no par value in Hexaware Technologies Canada Limited, Canada	0.73	0.73
f. 11,780,000 shares of Rs. 10/- each fully paid up in Caliber Point Business Solutions Limited	158.92	158.92
g. 1,000,000 shares of Rs. 10/- each fully paid up in Risk Technology International Limited	8.50	8.50
h. 1 participation share of no par value in Hexaware Technologies (Mexico) S De R.L. De C.V.	29.42	29.42
i. Nil (50,000) shares of Rs. 10/- each fully paid up in Rampran Infotech Limited (Closed during the period)	-	0.50
	2,004.94	2,005.44
Trade investments (unquoted) (at cost) - in others		
240,958 equity shares of Rs. 10/- each fully paid up in Beta Wind Farm Pvt.Ltd.	4.58	4.58
	4.58	4.58
Total	2,009.52	2,010.02
<i>Aggregate value of unquoted investments</i>	2,009.52	2,010.02
10. LONG TERM LOANS AND ADVANCES (UNSECURED)		
a. Considered good		
i. Capital Advances	12.84	12.54
ii. Security Deposits	55.80	39.12
iii. Advance Income Tax and Fringe benefit Tax (net of provision for tax)	234.82	265.70
iv. MAT Credit Entitlement	625.76	648.61
v. Other Loans and advances	42.09	41.52
	971.31	1,007.49
b. Considered doubtful		
Other Loans and advances	1.27	-
Less : Provision for doubtful deposits / advances	(1.27)	-
	-	-
Total	971.31	1,007.49
11. OTHER NON-CURRENT ASSETS		
a. Interest accrued on deposits	12.09	8.17
b. Unbilled services	10.34	8.27
c. Non current bank balances		
i. Restricted bank balances	151.16	146.94
ii. Bank deposit accounts with more than 12 months maturity from the date of balance sheet	148.50	-
	322.09	163.38
Total	322.09	163.38
12. CURRENT INVESTMENTS		
Non Trade investment (unquoted) (at cost or fair value whichever is lower)		
Investments in mutual funds	2,449.20	2,349.83
Total	2,449.20	2,349.83
<i>Aggregate value of unquoted investments.</i>	2,449.20	2,349.83

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	As at 31st March '13	As at 31st December '12
13. TRADE RECEIVABLES (UNSECURED)		
a. Over six months from the due date		
Considered good	-	0.29
Considered doubtful	0.83	1.05
	0.83	1.34
Less : Provision for doubtful accounts	0.83	1.05
	-	0.29
b. Others		
Considered good	2,198.83	2,520.78
Considered doubtful	1.19	1.52
	2,200.02	2,522.30
Less : Provision for doubtful accounts	1.19	1.52
	2,198.83	2,520.78
Total	2,198.83	2,521.07
14. CASH AND CASH EQUIVALENTS		
a. Balances with bank		
i. In current accounts	149.67	161.12
ii. Remittance in transit	125.60	60.70
iii. Bank deposits accounts with less than 3 months maturity	27.02	23.85
	302.29	245.67
b. Other bank balances		
i. Earmarked balances with banks	99.50	99.50
ii. Unclaimed dividend accounts	45.19	40.96
iii. Margin money	6.47	6.48
iv. Bank deposit accounts with more than 12 months maturity	851.00	350.00
v. Bank deposit accounts with more than 3 and less than 12 months maturity	127.50	-
	1,129.66	496.94
Total balances with bank	1,431.95	742.61
c. "AAA" rated demand deposits with financial institution	807.50	507.50
d. Less : Bank balances classified as non current assets		
i. Restricted bank balances	(151.16)	(146.94)
ii. Bank deposit accounts with more than 12 months maturity from the date of balance sheet	(148.50)	-
	(299.66)	(146.94)
Total	1,939.79	1,103.17
15. SHORT TERM LOANS AND ADVANCES (UNSECURED)		
a. Considered good		
i. Security deposits	64.04	79.37
ii. Loans and advances to related parties (Refer Note No. 22)	195.26	203.04
iii. Other loans and advances (includes service tax receivable, prepaid expenses and employee advances)	257.61	315.76
	516.91	598.17
b. Considered doubtful		
Other loans and advances	41.62	33.23
Less : Provision for doubtful deposits / advances	41.62	33.23
	-	-
Total	516.91	598.17
16. OTHER CURRENT ASSETS		
a. Interest accrued on deposits	32.68	49.56
b. Unbilled services	78.25	52.40
c. Receivable on account of MTM gains on derivatives contract (net)	31.64	-
Total	142.57	101.96

HEXAWARE TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Rs. Million)

Particulars	For the quarter ended	
	31st March '13	31st March '12
17. OTHER INCOME		
a. Dividend from current investments	44.19	8.51
b. Dividend from subsidiary company	-	46.67
c. Interest income	31.59	87.48
d. Profit on sale of fixed assets (net)	2.49	0.17
e. Rental income	-	17.30
f. Miscellaneous income	4.86	1.13
Total	83.13	161.26
18. SOFTWARE AND DEVELOPMENT EXPENSES		
a. Consultant travel and related expenses	53.62	45.33
b. Software expenses *	70.27	75.22
Total	123.89	120.55
* (includes subcontracting charges)	40.28	24.77
19. EMPLOYEE BENEFIT EXPENSES		
a. Salaries and allowances	1,038.11	913.19
b. Contribution to provident and other funds	67.35	51.02
c. Staff welfare expenses	32.94	29.34
d. Employee stock option compensation cost	(0.46)	0.48
Total	1,137.94	994.03
20. OPERATIONS AND OTHER EXPENSES		
a. Rent	21.42	24.33
b. Rates and taxes	5.34	3.41
c. Travelling and conveyance expenses	46.56	46.58
d. Electricity charges	30.69	29.59
e. Communication expenses	20.41	14.95
f. Repairs and maintenance	26.08	19.33
g. Printing and stationery	3.00	3.98
h. Auditors remuneration	2.03	2.82
i. Legal and professional fees	13.37	13.13
j. Advertisement and publicity	0.25	-
k. Seminar and conference expenses	5.47	6.96
l. Bank and other charges	0.86	1.00
m. Directors' sitting fees	0.26	0.32
n. Insurance charges	5.34	4.41
o. Loss on sale of investments	0.12	-
p. Loss on closure of subsidiary company	0.05	-
q. Debts and advances written off (net of recoveries)	-	2.05
r. Provision for doubtful accounts (Net off write back)	9.12	(4.27)
s. Staff recruitment expenses	2.24	10.19
t. Service charges	19.32	17.50
u. Provision for obsolete asset	7.04	-
v. Miscellaneous expenses	4.23	2.49
Total	223.20	198.77

Note :

Miscellaneous expenses includes stamp duty & filing fees, hiring charges, registrar and share transfer expenses, membership and subscription, carriage and forwarding, board meeting expenses etc.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

21. Contingent Liabilities in respect of:

- a) Claims not acknowledged as debt to Rs. 28.14 million (31st December 2012 Rs 28.14 million).
- b) Income tax demands of Rs 112.38 million have been raised in respect of assessments completed during the quarter, arising from off-setting tax losses against income of exempt units. The Company has appealed against the orders and based on merits, expects favourable outcome. Hence no provision against such demand is considered necessary.

22. Related party disclosures:

The Company has entered into transactions with the following parties.

Name of the Related Parties	Country
Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Ltd.	United Kingdom
Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Ltd.	Canada
Caliber Point Business Solutions Ltd.	India
FocusFrame Europe BV	Netherland
Hexaware Technologies, Mexico S. De. R.L. De. C.V.	Mexico
Risk Technology International Limited	India
Hexaware Technologies DO Brazil Ltd, Brazil (subsidiary of Hexaware Technologies Uk Ltd)	Brazil
Rampran Infotech Ltd. (closed w.e.f. 13th February 2013)	India
Key Management Personnel (KMP)	
Mr. Atul K. Nishar – Chairman	
Mr. R. V. Ramanan – Executive Director and President Global Delivery	
Mr. P. R. Chandrasekar – Vice Chairman and CEO	
Others	
Hexaware Technologies Employee Stock Option Trust, entity in which KMP have control and/or significant influence	

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Details of Transactions:

(Rupees in Million)

Particulars	Name of the Related party and Nature of Relationship	Quarter Ended	Quarter Ended
		31 March 2013	31 March 2012
Investment in Equity	Capital Reduction in Subsidiary Hexaware Technologies UK Ltd.	-	64.23
Software and Consultancy Income	Subsidiaries Hexaware Technologies Inc. Hexaware Technologies GmbH. Others	870.71 177.46 179.31	799.34 171.17 110.35
		1,227.48	1,080.86
Software and development expenses -Sub-contracting charges	Subsidiaries Hexaware Technologies Inc. Others	25.76 4.39	32.22 4.14
		30.15	36.36
Interest and Other Income	Subsidiaries Caliber Point Business Solutions Limited	-	1.49
Dividend Income	Subsidiaries Hexaware Technologies UK Ltd.	-	46.67
Reimbursement of cost to	Subsidiaries: Hexaware Technologies UK Ltd. Hexaware Technologies Asia Pacific Pte Ltd. Others	2.83 1.64 0.34	8.70 5.26 1.08
		4.81	15.04
Receiving of Services	Remuneration to Key Management Personnel R.V. Ramanan Subsidiaries Caliber Point Business Solutions Limited	12.63 1.51	16.15 -
Recovery of cost/ advances from	Subsidiaries Hexaware Technologies Inc. Hexaware Technologies UK Ltd. Others	95.80 18.82 9.60	80.68 22.68 6.53
		124.22	109.89

Note: Party wise details disclosed for transactions in excess of 10% of the total transactions.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Outstanding Balances with Subsidiaries:

(Rupees in Million)

Particulars	As at	As at
	31 Mar 2013	31 Dec 2012
Investment in Equity	2,004.94	2,005.44
Receivable towards software and Consultancy Income	1,301.67	1,640.42
Advances	195.26	203.04
Payable towards services and reimbursement of cost	1,195.87	1,221.09

23. Earnings per Share (EPS)

The components of basic and diluted earnings per share are as follows:

Particulars	Quarter Ended	Quarter Ended
	31 Mar 2013	31 Mar 2012
Net profit after tax (Rupees Million)	706.32	830.48
Weighted average outstanding equity shares considered for basic EPS (Nos.)	296,785,093	293,612,992
Basic Earnings per share : (in Rupees)	2.38	2.83
Weighted average outstanding equity shares considered for basic EPS (Nos.)	296,785,093	293,612,992
Add : Effect of dilutive issue of stock options (including share application money received on exercise of options) (Nos.)	3,757,928	6,499,925
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	300,543,021	300,112,917
Diluted Earnings per share : (in Rupees)	2.35	2.77

24. Derivative Instruments:

- (i) Forward exchange contracts to Sell US Dollar 222.57 Million and Sell Euro 13.99 Million are outstanding as of March, 31, 2013 (31st December 2012 Year Sell US Dollar 200.98 Million and Sell Euro 13.96 Million).
- (ii) Fair value (net profit) of the derivative instruments identified as cash flow hedges is Rs.18.61 million as at March 31, 2013 (31st December 2012 net loss of Rs.218.03 million).
- (iii) Net loss of Rs.380.60 million recognized in Hedging Reserve as of 31st March, 2013 is expected to be classified to Statement of Profit and loss over two years.

HEXAWARE TECHNOLOGIES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

25. "Provision Others" includes provisions towards expenditure relating employee benefit obligations on contract acquisition (also in respect of fixed assets in previous year), the outflow for which is expected in the next twelve months

(Rupees in Million)

Particulars	Quarter Ended	Year Ended
	31 March 2013	31 Dec 2012
Provision at the beginning of the year	169.82	279.46
Provision made during the period / year	-	8.35
Paid /Adjusted during the period /year	(23.60)	(117.99)
Provision at the end of the period / year	146.22	169.82

26. **Segment disclosures:**

In terms of the provisions of Accounting Standard (AS 17) "Segment Reporting", the segment information is presented in the condensed consolidated financial statements on consolidated basis only and is published together with these financial statements.

27. Previous period's / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
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