Customer @ the core

ANNUAL
REPORT
2013

HEXAWARE TECHNOLOGIES LIMITED

Hexaware
TECHNOLOGIES
YOUR SUCCESS IS OUR FOCUS

Forward-looking Statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Customer @ the core

In today's dynamic business environment, technology is emerging as the most important factor for companies to differentiate, improve processes, stay ahead of the competition, enhance efficiencies and augment productivity. As a result, corporates are considering Information Technology as an investment rather than an expenditure. Hence, it becomes more crucial for companies to find the right IT partner who brings in innovation, speed and precision to their business and at the same time deliver value without straining their bottom-line.

At Hexaware, our mission is to be competitive and proactive in providing solutions to customers by continuously striving to exceed their expectations. In line with our mission, we have built our organisation with an extensive focus on 'customer at the core'. In order to ensure that we deliver maximum value to our customers, we are getting closer to our customers, strengthening relations with our customers, making our customers operationally efficient and helping them stay ahead of the curve.

Across the pages...

Message from the Chairman

Dear Shareowners,

I am pleased to report that Hexaware has delivered a significantly better performance in 2013. This growth is the result of all the efforts which we have taken over the last couple of years: efforts like strengthening our domain competencies, increasing the breadth and depth of our service lines, our determination to remain relevant to customers and our long-term engagements with our key global clients.

With the prevailing adverse economic conditions across the globe, the permeation of disruptive technologies and the dynamic changing needs of customers, companies have no other option but to change the way they operate. Notwithstanding the global economic sentiments, I feel very happy to report that Hexaware performed very well in 2013. The Company grew by 17.3% to ₹ 2,285 crore in 2013 (in rupee terms). In dollar terms, the Company grew by 6.4%, registering a revenue of USD 387.8 million. Higher revenue growth translated into higher profitability as EBITDA margin improved by 170 bps from 20.7% in 2012 to 22.4% in 2013. Higher revenue growth coupled with improvement in operating margins had a cascading impact on the Net Profit, which increased to ₹ 379 crore in 2013, up by 15.7% from ₹ 328 crore in 2012.

I am proud to state that Hexaware has been built with an extensive focus on delivering value to the customer and customer centricity remains our major focus area. Our strategy of having long-term relations with key clients continues to pay rich dividends as we received 95.5% of our business from our repeat clients. Through the year, our top 10 clients remained very strong and continue to represent around 53% of our total revenues. Our efforts of adding new clients, globally and across our major focus areas continued and we succeeded in adding 48 new clients during the year, of which we expect around 10-15 clients to contribute significantly to our revenues in 2014.

With niche strength in key service offerings in Business Intelligence & Analytics, Enterprise Applications, Quality Assurance and Testing as well as the strength of the management team; Hexaware has been able to differentiate itself by the quality of its relationship with some of the largest corporations around the world. During the year under review, Baring Private Equity Asia hiked its holding to 70.87%

10.2%
Indian IT industry growth in 2013 (in dollar terms)

17.3%
Revenue growth in 2013

₹ 2,285 crore
Revenues earned in 2013

₹ 379 crore
Net profit in 2013

USD 100 million+
Revenues earned in Q4 2014

₹ 100 crore+
Net profit earned in Q4 2014

in Hexaware through an open offer to the shareholders of the company. Even though Baring Asia has become the major shareholder of the Company, the management team will continue ensuring continuity of relationship with all stakeholders particularly our customers, employees and public shareholders.

We have strengthened our leadership team by adding a new leader in Europe and North America, for BPM business and one in the Health care & Insurance vertical. Further, we added domain experts in the Health care & Insurance space to drive delivery and content for our Health care business.

We remained committed to invest in strengthening our domain capabilities and develop new service offerings tailored to unique customer requirements. During the year, we launched a new vertical in the manufacturing sector and created a new business segment called Human Capital Management (HCM). The purpose of this business segment is to integrate all our product competencies such as Peoplesoft, Fusion and Workday. This will also help us in focusing on our customers' needs, to provide integrated IT and BPM solutions and become a leader in this space across all geographies.

In our bid to get closer to our customers and serve them better, we opened two new global delivery centers (GDC). One in Saltillo (Mexico) in addition to existing two to cater to clients in North America, Mexico and Latin America and the other in Frisco (Dallas) in the USA to undertake critical IT projects and to add value to existing and new customers. We will continue investing in more GDCs in other cities and countries in order to serve our clients better, recruit best-in-class local talent and drive our revenue growth consistently.

Going ahead, we are optimistic about 2014. While the global economic growth might be affected by challenges, we are confident of our growth outlook. We believe that with the improvement in the global economy, the global IT spending will also improve, as companies across the world will continue to invest in IT to boost productivity, increase span, stay agile and tap emerging technologies. We will continue to seek organic as well as inorganic growth opportunities that will continue to come our way in line with our strategic plan. In order to enhance our value proposition across key technology areas and position ourselves to take advantage of the opportunities, we intend to make strategic investments in Social, Mobility, Analytics and Cloud (SMAC) technologies.

As I conclude, I am pleased to announce that the stellar performance in 2013 has helped us reward our shareholders in a significant manner with a final dividend of ₹ 1 per share (50%) on equity shares of ₹ 2 each, subject to the approval of the shareholders. This brings the total dividend for the year 2013 to ₹ 11.10 per share (555%), up from ₹ 5.40 per share (270%) in 2012.

Lastly, I would like to place my gratitude towards our customers, partners, employees and shareholders who have supported us at every stage of our journey with the expectation that this support continues as we move forward in a dynamic and challenging market place.

Yours sincerely,

Atul K. Nishar

Mr. Atul Nishar
Chairman

53% Contribution to revenue from our top 10 clients	**233** Number of active clients in 2013	**72%** Technical utilization in 2013
2 New global delivery centers opened in 2013	**555%** Total dividend paid during 2013 on face value of ₹ 2	**215** Freshers added in 2013

Session with the CEO

Mr. P. R. Chandrasekar, Global CEO and Vice Chairman, Hexaware, speaks about the Company's performance, clients and outlook

ON THE COMPANY'S PERFORMANCE

The year 2013 was encouraging on multiple counts as the Company delivered robust growth despite the not so pleasant global and domestic macroeconomic environment. Hexaware's revenue increased by 17.3% (in rupee terms) & 6.4% (in dollar terms), EBITDA margin grew by 170 bps and Profit after tax increased by 15.7%. During the year, we remained focused on growing our business, servicing our clients and most importantly continued strengthening the organisation across all our business segments.

ON CUSTOMERS

During the year, we added 48 new clients across all our key focus areas, taking the total client count by the end of 2013 to 233. The clients generating annual revenues of USD 20 million plus have increased to 4 in Q4 of 2013 compared to 3 in Q4 of 2012. The clients generating revenues of USD 1 million plus has increased from 53 to 55 in Q4 of 2013. Vertical wise, our Banking & Financial Services reported good growth during the year as the contribution from this vertical increased from 30.5% in 2012 to 35.5% in 2013. In services line, revenue from the Quality Assurance and Testing Services (QATS) increased from 10.2% in 2012 to 13.3% in 2013 and Remote Infrastructure Management Services increased from 5.2% to 5.8%. As we move ahead, we will continue to make investments in strengthening our core competencies across verticals as well as horizontals and enhance our ability to add value to our clients.

ON EMERGING OPPORTUNITIES & PLANS TO CAPITALIZE THEM

As global businesses are searching for new and innovative ways to enhance their competitiveness, the Social, Media, Analytics and Cloud (SMAC) technology is emerging as a promising segment, which can change the way companies do business. It can help clients to transform their business. Keeping an eye on the future, we are investing heavily in the areas of Social, Mobility, Analytics and Cloud segment. We expect that this area will be a strong revenue growth driver for us in the years to come and it will contribute to increasing share of our overall growth. Our ERP business has been a major focus area for us and we are also making investments in both SAP and Oracle in order to strengthen our ERP business.

We are making consistent investment to strengthen our field force presence globally. To augment our growth further, we have been making consistent investment by increasing the quality and quantity of our front ending teams, hunters, account managers, practice professionals and enhancing processes & methodologies to boost their productivity. We are confident that these initiatives will help us grow our repeat business from existing clients and acquire new businesses.

With the global economy showing signs of improvement, the global IT spend of organizations will increase globally. In order to tap the emerging opportunities from new clients, we are expanding our presence in markets where we are already present and soon we will be penetrating into new geographies in emerging markets.

Board of Directors

Mr. Jimmy Mahtani
Non-Executive Director

Mr. Kosmas Kalliarekos
Non-Executive Director

Mr. Dileep C Choksi
Independent Director


Mr. P R Chandrasekar
Global Chief Executive Officer & Vice-Chairman
Mr. Ramanan R V
Executive Director & President Global Delivery
Mr. Bharat Shah
Independent Director
Mr. Atul K Nishar
Non-Executive Chairman

Board of Directors' Profile

MR. ATUL K NISHAR,
Non-Executive Chairman

Mr. Atul K Nishar founded Hexaware Technologies in 1990. He has been the driving force providing company with strategic direction and marketing focus. Before establishing Hexaware Technologies, Mr. Nishar founded a computer training company, Aptech Limited in 1985. He grew Aptech to a leading global IT training outfit with over 2400 centers across 52 countries and served as its Chairman till 2003.

Mr. Nishar has been associated with several government and trade bodies that play an instrumental role in the development of India's IT Sector. He was the Chairman of NASSCOM in 2000 and continues to be on its Executive Council. Mr. Nishar is a Fellow of the Institute of Chartered Accountants of India and received his Bachelor Degrees in Commerce and Law from University of Bombay.

MR. RAMANAN R V,
Executive Director & President Global Delivery

Mr. R. V. Ramanan joined Hexaware Technologies in 2003. He has been instrumental in establishing and growing new service offerings including QATS and BI/BA horizontal practices at Hexaware Technologies.

Mr. Ramanan has over two decades of experience in managing large delivery operations across multiple geographies. He works closely with a few of Hexaware's key customers, helping them modernize and enhance efficacy of their IT systems. He also has been furthering Hexaware's research and development efforts. Prior to joining Hexaware, Mr. Ramanan worked as the Chief Architect for Citibank implementing Banking Software solutions in the European sector.

Mr. Ramanan holds a Post Graduate degree in Technology from I.I.T. Delhi.

MR. P R CHANDRASEKAR,
Global CEO & Vice Chairman

Mr. P. R. Chandrasekar is based out of Hexaware's New Jersey office and has vast experience in business development, channel development, merger and acquisitions and other strategic initiatives. Before joining Hexaware, he served as Head American operations and President Americas and Europe at Wipro. Prior to that, he was Director, Business Development with GE India. Mr. Chandrasekar started his career with ICI India in 1979 and thereafter worked with a California based consulting firm from 1986 to 1995. From 1995 to 2000 he worked with GE Medical Systems.

Mr. Chandrasekar holds a degree in Engineering from the Indian Institute of Technology, Madras and has done his MBA from the Jamnalal Bajaj Institute of Management Studies, Mumbai University.

MR. KOSMAS KALLIAREKOS,
Non-Executive Director

Mr. Kosmas Kalliarekos, Managing Director, Baring Private Equity Asia and member of the firm's Portfolio Management Committee, has advised Baring Private Equity since 2004 and joined the firm on a full time basis in 2008. Mr. Kalliarekos was founding member and Senior Partner of The Parthenon Group, a strategic advisory firm with offices in Boston, London, San Francisco and Mumbai. Mr. Kalliarekos headed the firm's Education Industry Center of Excellence. For over 20 years he advised clients on issues related to operational excellence, strategy development and growth. Parthenon's client relationships span several industries, including consumer products, financial services, information publishing, educational publishing, and technology and services, and range from start-ups to Fortune 100 companies. Previously, Mr. Kalliarekos was Consultant with Bain and Company. Mr. Kalliarekos holds a B.S. in Economics from the Wharton School of the University of Pennsylvania and an M.B.A. from Harvard Business School where he was a Baker Scholar.

MR. JIMMY MAHTANI,
Non-Executive Director

Mr. Jimmy Mahtani is a Managing Director with Baring Private Equity Asia and is primarily responsible for Baring Private Equity Asia's investments in India and South East Asia. He has been with Baring since 2006 and has led investments in technology, infrastructure & building materials, education, financial services and consumer goods companies. Mr. Mahtani was previously a Vice President with General Atlantic Partners ("GAP") in Mumbai, whose India office he founded. During his tenure at GAP, he was responsible for India investments with a focus on the technology and financial services sectors. Previously, he worked for Bear Stearns & Co., Inc. in New York and Merrill Lynch in Washington D.C. Mr. Mahtani graduated with honors from Georgetown University, where he received a B.Sc. in Business Administration with a triple major in Finance, International Business and Marketing.

MR. DILEEP C CHOKSI,
Independent Director

Mr. Dileep C. Choksi, a Chartered Accountant by profession, has over 35 years of experience having qualified as a lawyer and a cost accountant. He began his career with C.C. Chokshi & Co. His areas of specialization include tax planning and structuring for domestic and international clients, including expatriates, finalizing collaborations and joint ventures, executive advisory and decision support, corporate restructuring with a focus on start-up, turnaround and change management strategies and analyzing tax impact of various instruments. He advises some of India's largest business houses on various strategic matters and multinational clients on cross border structuring and family succession and on wills and trusts.

Dileep is a member of the Board of Directors of various companies. He also was on the Advisory Board of foreign banks as well as Ex-Chairman of Banque Nationale De Paris, Bombay. He was the former Joint Managing Partner of Deloitte in India before setting up of C.C. Chokshi Advisors Pvt. Ltd.

Dileep is a Fellow Member of the Institute of Chartered Accountants of India, Bachelor of Law, Member of the Institute of the Cost and Works Accountants of India.

MR. BHARAT SHAH,
Independent Director

Mr. Bharat D. Shah is the Chairman of HDFC Securities Limited. He was one of the founder members of HDFC Bank and joined HDFC Bank in December 1994 as an Executive Director. He is on the Board of various companies like, Computer Age Management Services Private Limited, ADFC Pvt. Limited, Hill Properties Ltd., Salisbury Investments Pvt. Ltd., IDFC Alternatives Ltd. and Faering Capital Trustee Co. Pvt.Ltd. Mr. Shah acts as a Trustee at Vanita Vishram Trust. He is Chairman of BSE Investment Committee.

Mr. Shah has received his Bachelors in Science (B.Sc) degree from the University of Mumbai in the year 1967. He also holds a Degree in Applied Chemistry with special reference to Metal Finishing from Borough Polytechnic, London (1967-1969).

Customer @ the core

> ‘We are bridging the gap of a thousand miles by getting closer to our customers in order to provide optimum value.’

Getting closer to customers

In the information technology era, distance is covered with the help of few mouse clicks and phone calls. However, sometimes it becomes essential to be present at the place where the customer operates, in order to provide optimum value to the client. At Hexaware, we are bridging the distance by getting closer to our customers, integrating our IT & BPM segments and by launching new verticals.

In our bid to get closer to customers, we opened one new Global Delivery Center (GDC) at Frisco, near Dallas in the state of Texas, USA. This state-of-the-art delivery center is situated in a prime location and in close proximity to several key clients. This facility will help us to undertake critical IT projects and add value to our existing clients as well as acquire new clients. We will continue investing in implementing Learning & Development programs under the aegis of Hexavarity, focus on institutionalizing the quality processes and ensure seamless delivery across our network of GDCs.

We further expanded our GDC in Saltillo, Mexico, to address the needs of our US based customers from the same time zone location. This will help us add value to our existing customers, strengthen our presence in the US markets and make further inroads into the rapidly growing Latin American IT market.

During the year, we have added a new manufacturing vertical and also created a new HCM business segment. This new segment will integrate all our product competencies such as Peoplesoft, Fusion and Workday to focus on our customers' needs. Further, a lot of our existing customers who are using our IT services also opt for our BPM services. Hence, in order to explore the synergies from both the segments, we have integrated our IT and BPM services together to cater to our customer's diversified needs.

9
Global Delivery Centers around the world

23
Number of countries where we have our foot prints

66.4%
Revenue contribution from the USA in 2013

53:47
Our Onsite : Offshore mix in 2013

Making customers operationally efficient

In today's highly competitive world, clients expect their IT partners to provide a distinct business advantage by bringing innovation, speed, agility and precision to their business. At Hexaware, we are driven by the objective to make our customers operationally efficient by leveraging our domain expertise to create customized solutions that bring transformational results to our customers.

We have got extensive experience in managing large IT applications in real time as well as in providing high value services around packaged enterprise applications such as SAP, Peoplesoft and Business Intelligence & Analytics. Our deep exposure and experience in Quality Assurance as well as Business Process Management arena fully complements and strengthens our services spectrum. Our solutions aim to provide high-value proposition by optimizing costs of ownership of technology investments for our customers.

We are amongst the key innovators in providing enterprise mobility solutions in many key verticals. Our mobility solutions offer our customers comprehensive services to cover every aspect of mobile application development in order to enable organizations to maximize the potential of their mobile implementation. During the year, we partnered with Experitest to further expand our reach into mobile application testing automation space. This partnership will enable us to provide our customers a robust solution for end-to-end mobile application test automation called 'SeeTest'. With SeeTest, we will be able to steer our client's mobile test automation requirements in the right direction with consultants who are available to translate client's needs into an effective application test solution through in-house frameworks. We will further extend our model to include additional mobility test imperatives like device-level performance testing as a by-product of test automation.

We teamed up with Oracle to launch Oracle's PeopleSoft Test Framework (PTF) services. This solution helps users to install, configure, implement and maintain PTF automation. It also allow customers to execute more tests with greater accuracy in a shorter time frame and reduced operational costs. This way we not only save money for our clients by helping them eliminate unnecessary and redundant processes but also enable them an enhanced time-to-market solution with Return on Investment (ROI) within just two test cycles.

29.3%

Contribution of our ERP segment to our total revenue

37.2%

Contribution of revenue from Application Development & Maintenance segment in 2013

"We make our customers operationally efficient by providing them customized solutions that bring transformational results."

"Our deep domain understanding and technology prowess in various verticals enable us to understand our customers challenges better."

Helping customers stay ahead

The current market uncertainties are forcing customers to prune their expansion plans with a focus on conserving resources. At the same time, clients want to remain future ready in order to tap opportunities when the business environment becomes favorable. At Hexaware, with our deep domain understanding and technology prowess in various verticals, we understand our customer's challenges and invest in technology in advance by anticipating the changing technology landscape.

Over the last few years, we have invested heavily and built significant competency in Social, Mobility, Analytics and Cloud (SMAC) technologies. The use of SMAC technologies is already helping customers to work more collaboratively by effectively using real time data. We have built proprietary accelerators, which enable quicker adoption of these technologies by enabling organizations to virtualize their IT infrastructure and use real-time unstructured data from social networks. This helps them to integrate with organizational data and provide real-time analytics through mobile devices. We are helping our customers to stay ahead of the curve by helping them realize the full potential of SMAC by stitching together these technologies cohesively and also by adopting business models which enable use of real-time analysis.

In addition, we made investments in SAP and Oracle in order to strengthen our Enterprise Resource Planning (ERP) business, which has always been one of our major focus areas. We have made significant investments in the cloud based ERP and we expect these investments will help our customers to stay ahead in their markets. During 2013, we created our own cloud platform called 'Republic'. With this launch, we will be hosting the entire cloud platform ourselves and provide services to our customers.

In addition, we also started a specific Centers of Excellence (CoE) focused on Big Data as part of our Business Intelligence and Analytics practice. This CoE has helped us to build core competencies in areas such as Hadoop ecosystem, MapReduce programming, advanced/predictive analytics, statistical modeling and text mining & analytics.

Strengthening relationships with customers

In the competitive IT business environment, clients prefer to stick to their trusted IT vendors who understand their business needs and provide customized solutions. At Hexaware, we form a result-oriented partnership with our clients and work with passion, precision and ownership in order to deliver the most optimal solutions that meets our client's near-term needs as well as long-term aspirations.

At Hexaware, we aspire to be the primary Go-To IT services partner of our customers. We aspire to create value for our customers consistently through execution excellence led by our superior human capital, rich intellectual property assets and domain intensive customized solutions. Our ability to understand our client's requirements and our excellent customer relationship management helps us in governing, managing and delivering engagements of our clients within budgets and timelines.

We strengthened our client relationships by deploying dedicated client partners and engagement directors at our key account locations to address the client's unique requirements. This strategy has helped us to maintain strong relationship with our Top 10 clients, who remain a significant growth catalyst of our business, contributing around 53% of our revenues in 2013. In addition, our strong client relationship has helped us to get 95.5% repeat business form our existing clients. In addition, we also added 48 new clients during 2013. Clients contributing to revenues in excess of USD 20 million plus increased to 4 and clients contribution in excess of USD 1 million increased to 55 in 2013.

During the year, we beefed up our investments significantly in our customer facing teams. We added people in pre-sales function who support our customers and sales people in driving value. We added Business Development Managers (BDMs) across North America, Europe and APAC. In order to further improve our engagement level with our clients, we added domain experts in the Health care and Insurance space. In order to provide greater value to customers of North America, we added a senior leader in our asset management segment. We also added a new leader in Europe who comes with a lot of experience in the European markets and have strengthened our leadership in the healthcare and insurance vertical.

4 Clients contributing revenues in excess of USD 20 million plus

55 Clients contributing to revenues in excess of USD 1 million each

"We form a result-oriented partnership and work with passion to deliver solutions that meets our client's long-term aspirations."

95.5%

Proportion of repeat business from our existing clients

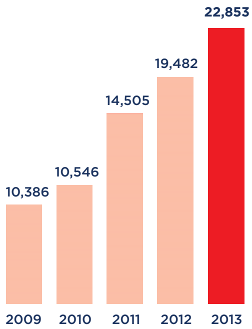
48

New clients added in CY 2013

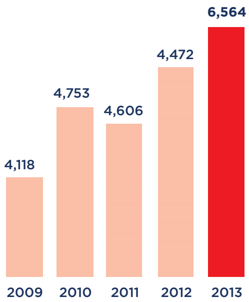
2013 at a Glance

FINANCIAL HIGHLIGHTS - CONSOLIDATED

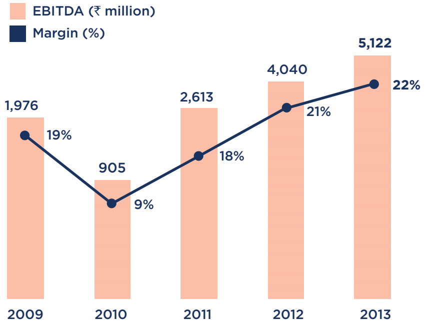
Revenue (₹ million)



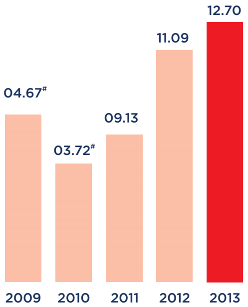
Cash & cash equivalents (₹ million)



EBITDA (₹ million) & Margin (%)

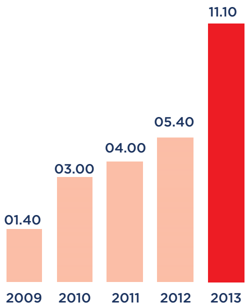


Earnings per share basic (in. ₹)

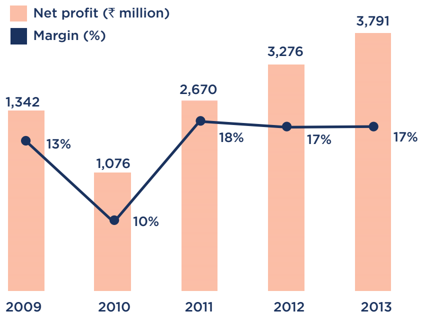


#Adjusted for bonus

Dividend per share(in ₹)

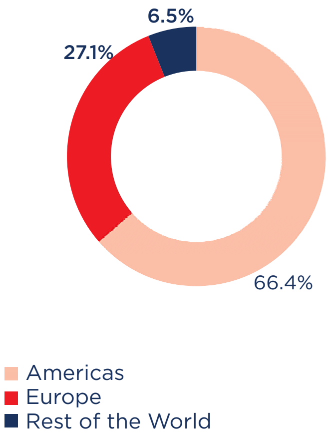


Net profit (₹ million) & Margin (%)

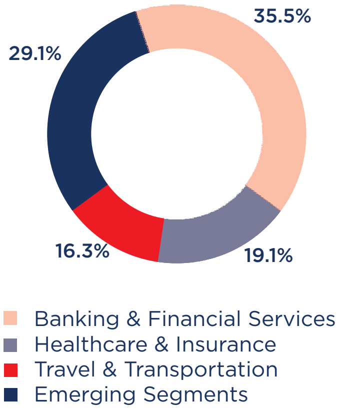


REVENUE BREAK-UP - CONSOLIDATED

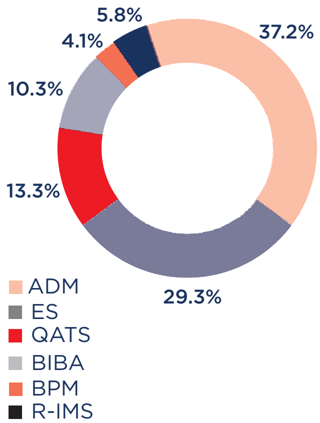
Geography split



Vertical split



Horizontal split



Key Performance Indicators

STATEMENT OF INCOME - CONSOLIDATED (IN ₹ TERMS)

17.3%
Revenue Growth

26.8%
EBITDA Growth

15.7%
Net Profit Growth

CASH FLOWS - CONSOLIDATED

52.7%
Increase in cash from operating activities

45%
Increase in capital expenditure

47%
Increase in cash and cash equivalent

RETURN TO SHAREHOLDERS

15%
Growth in earnings per share

106%
Growth in dividend per share

KEY RATIOS

167bps
Increase in EBITDA margin

204bps
Increase in return on equity (ROE)

Ten Year Consolidated Financial Highlights

(₹ million)

Parameters	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenue	22,853	19,482	14,505	10,546	10,386	11,519	10,398	8,482	6,787	5,459
EBITDA	5,122	4,040	2,613	905	1,976	1,201	900	1,283	1,134	771
EBIT	4,736	3,716	2,366	663	1,705	917	665	1,084	924	610
Profit Before Tax	4,795	4,040	3,075	1,168	1,445	745	1,233#	1,363	1,012	724
Profit After Tax	3,791	3,276	2,670	1,076	1,342	590	71**	1,242	915	632
Net Worth	11,992	12,038	10,162	9,655	8497	6,625	7,059	7,395	3,474	2,670
Loan funds	-	-	-	112	163	195	-	0.34	62	52
Capital Expenditure	411	744	633	340	252	1,154	1,005	722	239	462
Cash and bank balance (including restricted balance & mutual funds)	6,564	4,472	4,606	4,753	4,118	2,849	3,147	3,350	1,121	719
Growth ratios										
Revenue (%)	17	34	38	2	-10	11	23	25	24	61
EBITDA (%)	27	55	189	-54	65	33	-30	13	47	140
EBIT (%)	27	57	257	-61	86	38	-39	17	51	256
Profit Before Tax (%)	19	31	163	-19	94	-40	-9	35	40	141
Profit After Tax (%)	16	23	148	-20	128	733	-94	36	45	92
Performance ratios										
EBITDA Margin (%)	22	21	18	9	19	10	9	15	17	14
EBIT Margin (%)	21	19	16	6	16	8	6	13	14	11
Net Profit Margin (%)	17	17	18	10	13	5	1	15	13	12
Tax /Total revenue (%)	4	4	3	1	1	1	1	1	1	2
Effective tax rate (%)	21	19	13	8	7	21	11	9	10	13
Balance Sheet ratios										
Return on average net worth (%)	32	30	27	12	18	9	1	23	30	26
Debt Equity ratio (%)	-	-	-	1	2	3	-	-	2	2
Per Share Ratio										
Dividend Payout Ratio (%)	103	57	51	47	18	28	219	23	18	21
Earnings Per Share – Basic (₹)	12.7	11.09	9.13	3.72*	4.67*	2.06*	0.17*	4.73*	3.88*	2.76*
Cash Earnings Per Share (₹)	11.15	7.31	4.72	0.41	4.96	2.37	3.26	4.26	2.79	1.76

** retrospectively adjusted for the bonus shares issued in 2011*
 # before Exceptional item
*** after exceptional item*

The Year in Quarters

QUARTER 1

- Declared first interim Dividend at ₹ 1.20 per share on equity share of Rs. 2 (60%)
- Signed a large deal worth USD 30 million with an existing Fortune 500 client headquartered in the United States.
- Got certified for ISO 20000, an IT Service Management (ITSM) Standard which incorporates best practices from Information Technology Infrastructure Library (ITIL).
- Got appraised by CMMI for Level3, Services Version 1.3.
- Inaugurated the third Global Delivery Center (GDC) in Saltillo, Mexico, in order to add more customers from this region.

QUARTER 2

- Declared a second interim dividend at ₹. 1.40 per share on the equity share of ₹ 2 (70%).
- Developed a new performance testing solution on the cloud using JMeter and Amazon Web Services (AWS).
- Built significant expertise over HP ALM (Application Lifecycle Management) toolkit, which allows customers to integrate source code and build application management tools.
- Developed a proprietary Accelerator for testing on Health Information Exchange, which is widely used in the US Healthcare Industry.
- Partnered with Experitest to enhance mobile test automation delivery capabilities.
- Inaugurated a new Global Delivery Centre (GDC) at Frisco, near Dallas in the state of Texas, USA.

QUARTER 3

- Partnered with Oracle to launch Oracle's PeopleSoft Test Framework (PTF) services, which reduce client's cost by shortening testing lifecycle for PeopleSoft tools.

QUARTER 4

- Declared a third interim dividend at ₹ 7.50 per share on equity share of ₹ 2 each (375%).
- Declared a final dividend at ₹ 1.00 per share on equity share of ₹ 2 each (50%).
- Registered a record revenue of USD 100 million and Net Profit of ₹ 100 crore for the first time in any quarter.

Our Visiting Card

IDENTITY

Hexaware Technologies Limited (HTL) (BSE: 532129, NSE: HEXAWARE) is an Information Technology (IT) and Business Process Management (BPM) service provider company based in Navi Mumbai, India. It was founded by Mr. Atul Nishar in 1990. HT Global IT Solutions Holdings Limited has become the new promoter of the company along with Parel Investment Holdings Limited through acquisition of shares from the erstwhile promoters and investors. The promoters hold 70.87% of the share capital of the company as on March 21, 2014. In 2013, Hexware has been ranked as the 16th largest Indian IT-BPM export companies in Nasscom's industry rankings.

BUSINESS

Hexaware's core business activity spans development support, integration, implementation and testing services across all major enterprise software systems such as PeopleSoft, Oracle, SAP and Microsoft. Since its inception in 1990, the Company has been providing cutting-edge solutions to small, large & Fortune 500 companies across the globe.

SERVICE OFFERINGS

Verticals

- Banking & Financial Services
- Global Travel & Transportation
- Healthcare & Insurance
- Emerging Segments

Horizontals

- Enterprise Solutions
- Business Intelligence & Analytics
- Quality Assurance and Testing Services
- Remote Infrastructure Management Services
- Application Development & Maintenance
- Business Process Management

VISION

We ensure customer satisfaction by adding value and honouring commitments at all times. We are committed to building shareholder value and maintaining high standards of corporate governance. We strive to be an eco-friendly organisation, inculcating good corporate citizenship.

MISSION

To be competitive and proactive in providing software solutions to customers by continuously striving to exceed their expectations.

VALUES

- We ensure customer satisfaction by adding value and honoring commitments at all times.
- We build transparent lasting relationships and stand for integrity and mutual trust.
- We encourage an entrepreneurial attitude and instill in our employees the desire to excel.
- We embrace and respect diversity while working together as One Hexaware.
- We foster a learning environment and nurture innovative thinking.
- We are committed to building shareholder value and maintaining high standards of corporate governance.
- We strive to be an eco-friendly organization and inculcate good corporate citizenship.

PRESENCE

Hexaware is having registered office in Mumbai (India) and its sales offices and development centers are spread across 23 countries and 35 locations around the world. Its regional headquarters are located in New Jersey, London and Singapore. Its Global Delivery Centers are located in Mumbai, Chennai, Nagpur, Pune, Coimbatore and Bengaluru in India and three near-shore Delivery Centers at New Jersey, Dallas, Mexico (Saltillo).

CLIENTELE

Hexaware help clients achieve a competitive business advantage by co-developing innovative IT/Process capabilities. Currently, Hexaware has a client base of over 233 companies, including over 50 Fortune 500 companies.

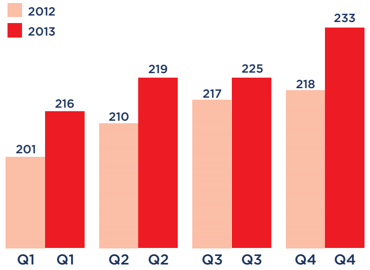
HUMAN CAPITAL

Hexaware believes that people are the foundation of its business and endeavors to nurture people and offer them opportunities to grow as individuals within the Company. It is backed by a dedicated and passionate team of over 8,854 employees and associates.

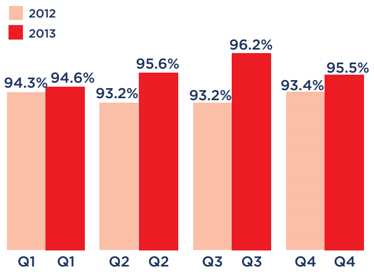
Client Mix

At Hexaware, we leverage our domain expertise to create customized solutions for our clients that bring transformational results in their business.

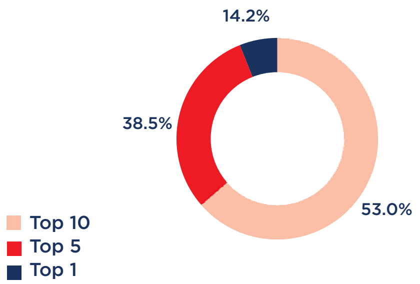
CLIENTS BILLED



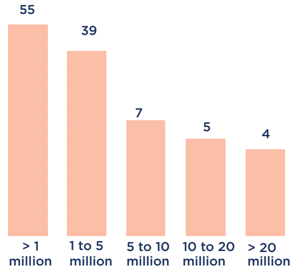
REPEAT BUSINESS



REVENUE CONCENTRATION BY CLIENTS, 2013

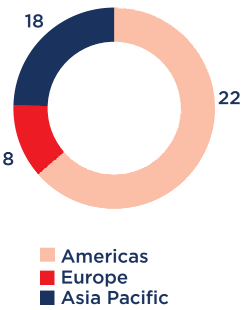


CLIENT SIZE Q4, 2013

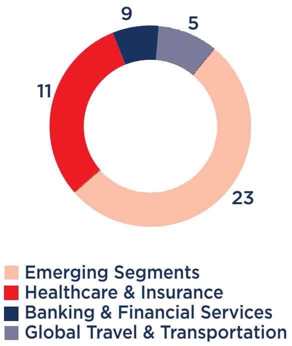


CLIENTS ADDED IN 2013

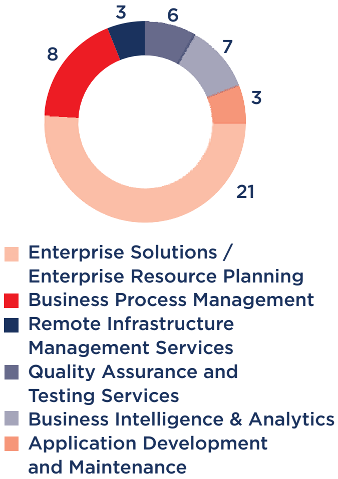
CLIENTS BY GEOGRAPHY



CLIENTS BY VERTICALS



CLIENTS BY HORIZONTAL



Service Offerings

Hexaware offers its diversified portfolio of services across various verticals and horizontals. However, it has strong domain expertise in Banking & Financial services, Global Travel & Transportation and Healthcare & Insurance Verticals.

Application Development Services

- Legacy Modernization
- Development
- Re-engineering/Migration
- Maintenance
- Testing

Independent Testing

- Business Requirement Analysis
- System Integration Testing (SIT)
- Performance Testing
- Test Automation, UAT Support
- Fail Over/Availability Testing
- Automation Lab: Mercury, Rational

Enterprise Packages

- Implementation & Global Roll out
- Support & Maintenance
- Upgrade, Data Migration
- Help Desk
- Testing
- Packages: Oracle-PeopleSoft, SAP

HR-IT Services

- Global Consolidation
- HR Analytics
- Employee Portals
- HR Help Desk
- Global Roll out of HR & Payroll
- Enterprise Learning Management
- Shared services support

Product Engineering

- New Product Development
- Product Porting & Re-engineering
- Customization & Localization
- Testing & QA
- Product Support

Business Intelligence & Analytics/DW

- Analytics: Risk, HR, Financial
- Business Intelligence
- Data Warehousing, Reporting
- Performance Management

Business Process Management

- HR Outsourcing
- Financial Services Outsourcing
- Claims Processing
- Forms Processing
- Documents Management
- Items Processing

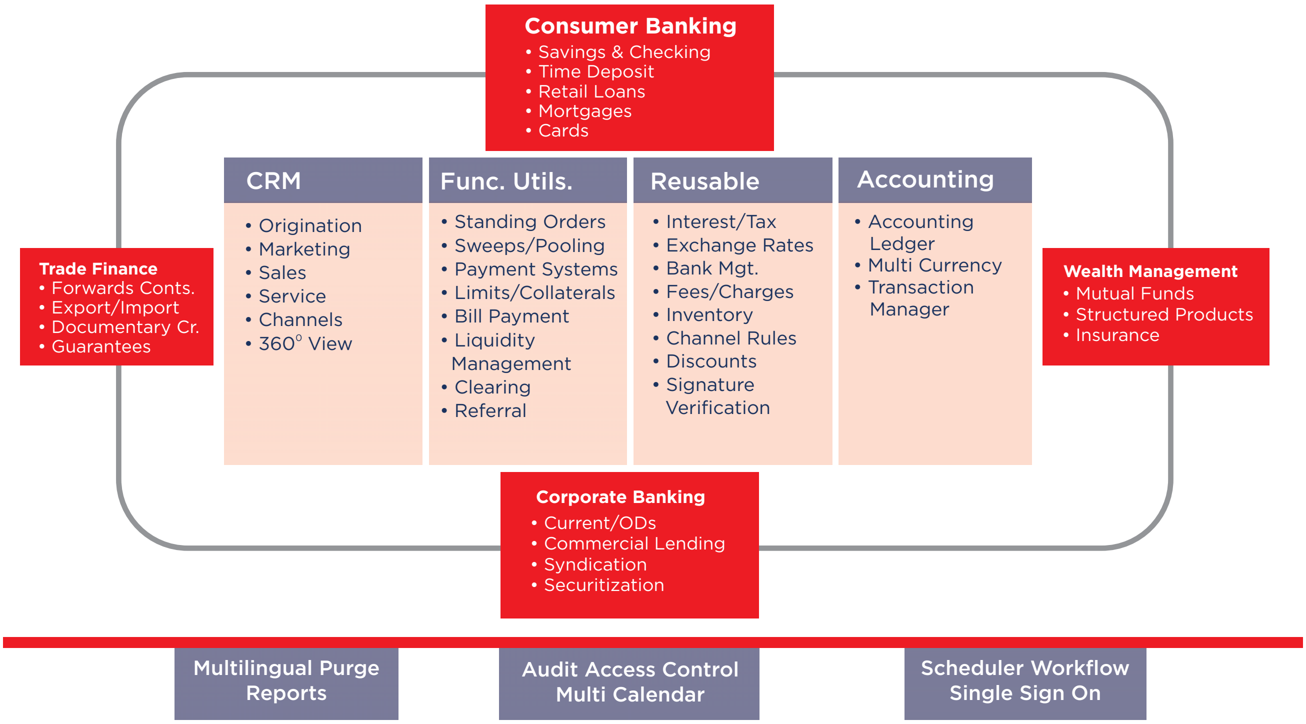
Infrastructure Management

- Info Sec Consulting
- Implementation
- Managed Services
- Enterprise Product Support

VERTICALS

BANKING & FINANCIAL SERVICES

Banking and Financial Services (BFS), a key vertical for Hexaware, is one of the major focus areas of our company, led by experts with decades of experience. BFS, comprising of skilled and experienced Consultants, Domain Specialists and Project Managers, is Hexaware's single largest business unit with over 50+ client engagements. Our BFS technology experience includes mainframe, client server, midrange, web technologies and packaged solutions. Hexaware has Center Of Excellence for Banking providing thought leadership.



Unification. Simplification. Standardization.

TRAVEL & TRANSPORTATION

Global Travel & Transportation (GTT) is one of the key verticals at Hexaware.

The company's partnerships with leading product vendors combined with its solution accelerators, domain / technology frameworks and Centers of Excellence for niche areas helps it to provide value added services to customers. The GTT vertical continuously invests on developing frameworks / solution accelerators addressing niche market needs across various industries. These accelerators are intended to provide the company's customers with a head start by reducing the time-to-market (around 30%) for implementing a total solution.

SUB-VERTICAL	AREAS OF EXPERTISE
Airlines and Airports	Passenger Services, Cargo, MRO, Crew Scheduling, Customer Loyalty, Revenue Accounting, Revenue Management, Airports
Travel and Hospitality	Car Rentals, Hotels and Restaurants, Travel Portals, GDS.
Transportation and Logistics	Logistics (3PL, Warehousing, Freight Forwarding), Motor Freight and Rail Roads, Shipping and Ports, Mail and Courier.
Rail IT	Ticket Retail and Reservation, Fulfillment, Settlement, Wagon Maintenance, Crew Management, Loyalty.

Hexaware's solution to Travel & Transportation Industry is based on effectively utilizing the global delivery model and providing services ranging from Application Support & Maintenance, Development, and 24*7 Support, Testing, Re-Engineering, System Integration, Implementation Consulting and BPM Services.

HEALTHCARE & INSURANCE

HEALTHCARE & LIFE SCIENCES

Hexaware has a strong team of professionals capable of providing end-to-end IT and BPM services to payers, providers, and life sciences companies. The company's Center of Excellence is integral to its Healthcare and Life Sciences Unit and provides certified domain professionals and thought leaders. These leaders help in developing cutting edge solutions to address current industry concerns such as master data management tools for Health Information Exchanges; analytics and integration solutions for Accountable Care Organizations; and portals and mobility solutions for Health Insurance Marketplaces.

CONSULTING SERVICES

- Healthcare Reform Remediation
- Enterprise Data Management – Process Improvement
- Partnership with Healthcare Value Solutions Providers

DOMAIN SERVICES

- ICD10, HIPAA Compliance Payers and Provider Analytics
- Interoperability EDI Modernization
- Health Information & Insurance Exchanges
- Claims Management
- Sales Force Operations Support
- Managed Market Services

HORIZONTAL SERVICES

- PeopleSoft Services
- Work Day Support
- Health Insurance Exchange testing & Remediation
- Quality Assurance
- BI & A solutions for Payers
- Advanced Web Capabilities
- SalesForce.com for Pharma Companies
- Enterprise Security Services Infrastructure Management

INSURANCE CAPABILITY

Hexaware offers a complete range of IT-BPM services for Life, P&C and Health Insurance companies worldwide. With a team of techno-functional professionals focused on the Insurance vertical and strategic partnership with core insurance product partners, Hexaware has the capability to provide end-to-end insurance system implementations - Underwriting, New Business Processing, Policy Servicing, Claims Processing, and Annuities Payouts.

Our Insurance practice is globally supported by a robust 'Insurance Center of Excellence' to achieve service delivery excellence and customer satisfaction. The Insurance CoE provides domain competency and showcases thought leadership in insurance IT services. Hexaware's solutions help in improving the effectiveness and efficiencies of insurance business processes. Hexaware is a member of Life Office Management Association (LOMA) with significant number of FLMI certifications. The Insurance CoE also participates in ACORD, LIMRA and ISO events, conducts training to ensure mandatory certifications from accredited bodies like LOMA (US), AICPCU (US), CII (UK).

New Business & Uderwriting	Policy Servicing	Claims Management	Channel Management

Consulting	Key Solutions	Enterprise Applications	Business Process Management
Business Consulting Enterprise Architecture Legacy Modernization Service-Oriented Architecture Quality Cosulting	Core Insurance-Life, P & C Health Broker Portal Policy Administration Contract Management Analytics Jumpstart-Claims, Channel Testing Accelerators	Human Resource management Customer Relationship Management Finance Sales Force Automation Learning Management Content Management Internet/Internet Portal	Claims Pre-Processing Data Correction Claims Adjudication Contract Management Manual Data Migration Outputs Design

Insurance Services Footprint

HORIZONTALS

ENTERPRISE SOLUTIONS

- SAP, PeopleSoft, Oracle e-business suite, Fusion, Workday, Sales Force, MS Dynamics, Siebel.
- Alliances with SAP, Oracle-PeopleSoft, Sales Force, Microsoft.
- Specialized in Human Resource Management Systems, Financials, Customer Relationship Management, Supply Chain, Campus solutions, Manufacturing solution, Retail solution.
- Consulting, Implementation/Harmonization, Upgrade, Shared Services Support, Cloud solutions, Mobility solutions.

BUSINESS INTELLIGENCE & ANALYTICS

- **Establish:** Strategic Business Intelligence (BI) Roadmap Definition, Enterprise Data Warehouse Governance, BI Platform Evaluation, Business Case - Benefits Insight.
- **Enhance:** Analytics Implementation, Product Upgrades, Dashboard Deployment, Data Integration Extensions, Data Quality – Master Data Management.
- **Transform:** BI Center of Excellence (CoE) Setup - Factory model, Platform Consolidation, Product Migration, Metadata Management, BI 3.0 Integration (Mobility, Social Media, Cloud, Big Data).
- **BI Innovation Lab:** Saves up to 40% of effort on DW /BI deployment with absolute focus on quality with our patent pending IPs.

QUALITY ASSURANCE & TESTING SERVICES

- Comprehensive set of solutions – Consulting and Governance, Test CoEs, Automated and Manual Testing, ERP testing accelerators, OneSource, e-Signature and Cloud Testing.
- Strategic alliance with HP, IBM, ORACLE, SOASTA, Jamo Solutions, Greenline and Validata.
- Dedicated Automation and Performance Center of Excellence (CoE).
- Mobile Application Testing (CoE).

INFRASTRUCTURE MANAGEMENT SERVICES

- Expertise Spanning Entire IT Infrastructure Lifecycle.
- World-Class Tier III Datacenter.
- 24/7 End User Services.
- Global NOC & Global SOC dedicated to Infrastructure Services.
- Enterprise Security Solutions.
- Cloud and Virtualization.

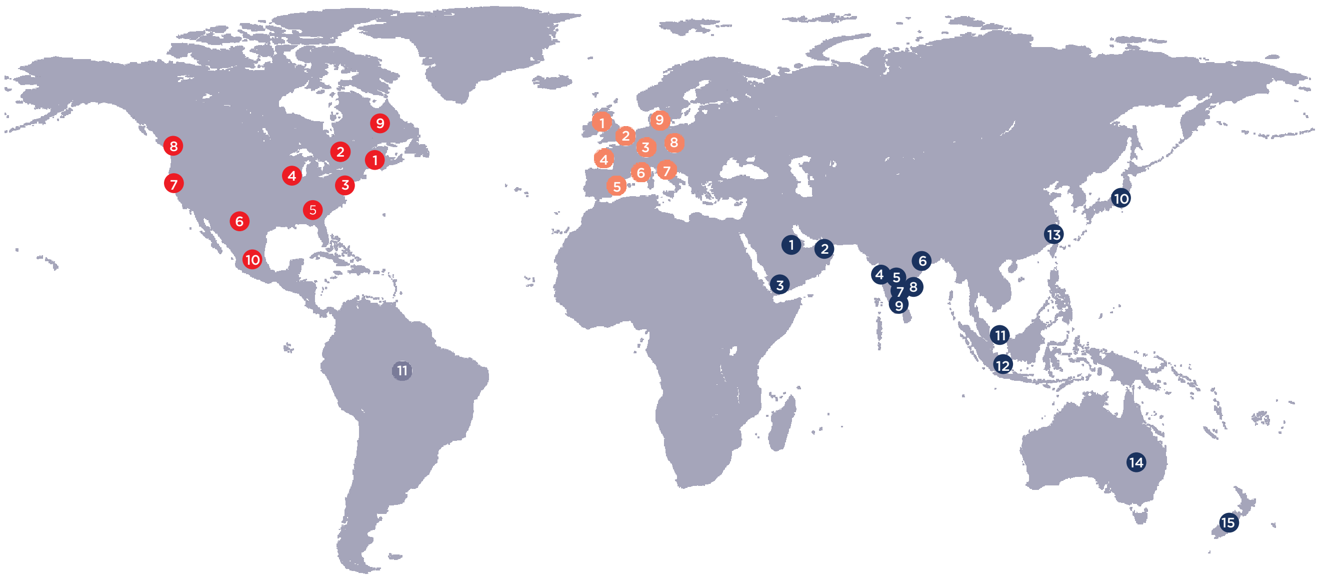
APPLICATION DEVELOPMENT & MAINTENANCE

- JAVA application services.
- .NET application services.
- Legacy re-engineering.

BUSINESS PROCESS MANAGEMENT

- Wholly-owned BPM arm - Caliber Point Business Solutions.
- Recognized as 'Emerging global HRO leader'.
- Proven processes and delivery capability in Shared Service Center Setup and Execution, Transaction Processing for complex processes,Transition Management.

Our Presence



AMERICAS

NORTH AMERICA

1 Boston
2 Manhatten, NY
3 New Jersey
4 Chicago
5 Atlanta
6 Texas
7 California
8 Seattle
9 Montreal
10 Mexico (Saltillo)

SOUTH AMERICA

11 Brazil

EUROPE

1 United Kingdom
2 Netherlands
3 Belgium
4 Germany
5 France
6 Geneva
7 Austria
8 Spain
9 Hungary

ASIA

1 Qatar
2 Dubai
3 Saudi Arabia
4 Mumbai
5 Pune
6 Nagpur
7 Begluru
8 Chennai
9 Coimbtore
10 Japan
11 Malasia
12 Singapore
13 Hong Kong
14 Australia
15 New Zealand

AMERICAS
- NORTH AMERICA
- SOUTH AMERICA

EUROPE

ASIA

Infrastructure Facilities

DOMESTIC GLOBAL DELIVERY CENTERS

- **Mumbai** Mumbai houses Hexaware's three Offshore Development Centers (ODCs) including the registered office and has over 1500 of its employees working from these centers The Company's wholly owned subsidiary Caliber Point Business Solutions Limited also operates out of another building in the same complex, seating over 800 employees - providing BPM services to its global clients.

- **Chennai** Hexaware's Chennai development center is a Green campus spread over 27 acres in Siruseri SEZ, currently having seating capacity of around 5000. The wholly owned BPM subsidiary, Caliber Point Business Solutions Limited also operates out of another facility in Chennai and accommodates over 400 employees.

- **Pune** Hexaware has ODC at Rajiv Gandhi InfoTech Park in Hinjewadi SEZ. It has a seating capacity of 700 employees.

- **Nagpur** Hexaware and Caliber Point together have 20 acres of land in Nagpur and current seating capacity of 1,000 employees and is presently operational with over 300 professionals of Caliber Point.

- **Bengaluru** Hexaware's Bengaluru development center has over 300 employees.

- **Coimbatore** Hexaware's Coimbatore development center has close to 150 BPM employees providing cost-competitive high-quality services to the clients of its wholly owned subsidiary Caliber Point.

OVERSEAS GLOBAL DELIVERY CENTERS

- **New Jersey (USA)** Hexaware's Secaucus, New Jersey (USA) Global Delivery Center (GDC) provides additional comfort to all its USA based clients to outsource mission-critical tasks and share secure information that would have otherwise not been shipped beyond the shores.

- **Saltillo (Mexico)** Saltillo is Hexaware's multi-utility developmental center and offers not only near shore benefits like proximity to most clients and same time zone but also cost competitiveness compared to USA and access to emerging markets in South America, one of the fastest growing regions.

- **Frisco, Dallas (USA)** Hexaware opened the Dallas Delivery Center in 2013. The state-of-the-art infrastructure enables the Company to undertake critical IT projects, thereby adding value to existing and new customers alike

Business Drivers

LEADERSHIP IN NICHE SEGMENTS

We are one of the leading companies in the niche segments such as PeopleSoft services and among the pioneers in providing solutions for the Airline industry. With our high-quality & cost-efficiency domain expertise and global delivery models, we are progressing towards becoming one of the leading IT services providers in Germany. Moreover, our enterprise class solution offerings combined with best-of-class enterprise integration skills are our key differentiators against competition.

STRONG CUSTOMER RELATIONSHIP MANAGEMENT

Around 95.5% of our revenues comes from repeat business, where our relationship with clients goes back at least five years. This illustrates stability, trust and confidence that our clients place on us. Moreover, our existing client relationships enables us to cross sell our emerging service offerings and newer areas of focus. All our major deals signed recently have been a mix of our service offerings in different combinations and varying proportions.

DIVERSITY

We are well-positioned to derive advantages from our large near-shore and offshore delivery centers through our multicultural dimensions and thorough understanding of work culture across different regions. We operate on a global platform, working with several Fortune 500 customers in North America, Europe and Asia Pacific.

EFFICIENT SERVICE DELIVERY

We have invested continuously in building significant onsite delivery centers across the world. Further, we have developed the capability to absorb the process overheads of offshore facilities by locating our business practice leaders, account managers and top management team closer to client locations. This helps our customer in easier accessibility to quicker decision making.

EFFECTIVE OUTSOURCING MODEL

We have developed a credible track record in building, operating and delivering solutions from very large offshore development centers. In addition, we have proven business model for customers looking to exploit delivery capabilities across the global. Our models provide a framework for outsourcing large application and product management services and provide customers with economies of scale.

FOCUSED APPROACH

Through our focused approach, we have developed several proprietary solutions that act as accelerators in all current and future engagements and enables significant compression in time-to-value deliverables. Our well-defined processes and innovative methodologies with built-in escalation and risk mitigation strategies help us adhere to the desired quality levels and meet promised timelines.

INNOVATIVE & FLEXIBLE CONTRACT MECHANISM

As a mid-size vendor, we provide a great deal of flexibility in both the contractual and delivery models. This includes using innovative pricing and payment models that meet the unique expectations of our clients, as well as optimizing our SEI CMMI Level 5 processes to meet specific customer requirements.

PROCESS AND METHODOLOGIES

We have institutionalized a number of processes and innovative methodologies, which has built-in-riskmitigation strategies and cost-efficiencies. Ourapproach addresses the key issues of transitionmanagement and operational efficiency improvement.

FOCUS VERSUS GENERIC STRATEGY

In alignment with our focus on select areas, our investment and focus is dedicated on growing to attain leadership in each sector. This has helped us to compete and win in these areas against much larger and more established vendors.

Management Team

MR. ATUL K NISHAR
Non-Executive Chairman

MR. P R CHANDRASEKAR
Global Chief Executive Officer &
Vice Chairman

MR. RAMANAN R V
Executive Director &
President Global Delivery

MR. RAJIV PANT
President – North America Operations

MR. AMRINDER SINGH
Senior Vice President – Europe Sales

MR. UDAY C REDDY
Senior Vice President APAC – Sales

MR. RAMANAN SESHADRI
Executive Vice President, Global Head
of the Healthcare & Insurance vertical

MR. MADHU KUMAR
Executive Vice President &
Global Head – Travel & Transportation

MR. RAVI VAIDYANATHAN
Executive Vice President & Global Head –
Banking & Financial Services

MR. CHINMOY BANERJEE
Senior Vice President & Head - BPM

MR. SATYA SAMAL
Senior Vice President &
Global Head – Manufacturing & Retail

MR. N NATARAJ
Chief Information Officer & Global Head –
Infrastructure Management Services

MR. MOORTHI CHOKKANATHAN
President & Global Head – Enterprise Solutions

MR. ANAND MOORTHY
Executive Vice President & Global Head –
Quality Assurance & Testing Services

MR. RAJESH KANANI
Chief Financial Officer

MRS. AMBERIN MEMON
Chief People Officer

MR. SREENIVAS V
Chief Strategy Officer

Beyond Business

Hexaware's CSR team aims to contribute positively to the development of the society, by playing the role of a good corporate citizen with passion and compassion. In Hexaware, CSR is not only a pure management directive but is something that is central to the company as well as its employees and has been embedded in the core values and principles of the company.

The essence of our corporate social responsibility initiative is to inculcate the spirit of "Give back to the society" amongst our employees & achieve a sense of pride for both the employees as well as the organization. To make small but sustained efforts in contributing towards the community as a whole, of which we are the smallest part. We endeavor to make a positive contribution to the environment & underprivileged communities by supporting a wide range of environment, educational and health initiatives.

H3O – "Helping Hands from Hexaware", is the name of our CSR initiative which inculcates the spirit of 'giving back to the society' and has been consistently taking up social responsibility projects. Employees take some time out from their busy schedule and periodically participate in these initiatives organized by H3O group. Many a times employee want to participate in the social activities but are not sure where do they start from, which cause they should support, which NGO they should work with etc. H3O team identifies the initiatives and the implementation partners and provides flexibility to the employees to contribute in such initiatives and achieve a sense of satisfaction and pride by being part of such philanthropic initiatives.

CSR Initiatives, 2013

Marathon

Every year Hexaware, Mumbai team participates in the Asia's largest marathon – The Standard Chartered Mumbai Marathon, where more than 50 Hexawarians were part of this run for a cause. We donated the contribution from the marathon to Hellen Keller Institute and Life Trust of India.

Hexaware Pune team, in association with the Pune Marathon Committee participated in this marathon which was a charity run for 6 kms, in honor of Mother Teresa. This marathon saw the participation of over 25 volunteers joining the activity with the theme being titled "Run for Mother". The proceeds of the marathon were sent to the Athletics Federation of India, which would utilize the revenue for women athletes in our country to give them the necessary support required for infrastructure and coaching.

"Gift a school kit" initiative

At Hexaware, this initiative is organized by 'Seva Sahayog Foundation' and we have been undertaking it continuously since the past 3 years. We had put up a stall wherein the employees sponsored school kits worth ₹ 300 per kit for the needy children. In doing so, our employees distributed school kits to 191 needy children.

We organize a stationary donation campaign for sponsoring school stationary kit to under privileged children going to school. During the year, our CSR team in association with 'Seva Sahayog Foundation' undertook an initiative of distributing school kit (school bag + books) to around 60 needy children in rural and tribal areas in and around Pune.

"Go Green Campaign" – Tree plantation drive

Our CSR team in association with Hariyali organizes a 'Go Green Campaign' every year during monsoons in our endeavor to sustain the beauty of mother earth. The activities covered during this campaign includes planting of saplings, de-weeding, conserving water to provide natural water source to saplings and conservation of planted saplings.

Seva Fair stall

Seva Sahayog Foundation, a registered non-profit organization, had organized Seva Fair at our premises. In this fair, products made by NGOs were available for sale. The products exhibited in the sale included decorative diyas, jute bags, warli paintings, jewelry, etc. These products were made by several underprivileged, destitute, physically & mentally challenged groups.

Blood donation drive

Our CSR team in association with Umang Foundation and blood bank J J Mahanagar Raktpedhi (JJMR) run by State blood transfusion council had organized a 'Blood donation campaign' in the month of November. JJMR provides blood to poor and needy people and distributes approximately 20 blood bags free of cost every day to Thalassemia or Hemophilia patients. The campaign held was great success with over 149 enthusiastic Hexawarians donating blood (One bottle of blood donated can save 3 lives).

Joy of giving week

The "JOY OF GIVING WEEK" was back this year to spread the joy and make our efforts towards the less privileged section of our society a resounding success. CSR Team in association with Umang Foundation (NGO) has organized "Joy of Giving Week", where employees had donated books, toys, stationery and clothes. Like they say, Charity begins at home and hence last year we had extended this donation to our housekeeping staff and office boys as well.

Awards and Accolades

AWARDS

- Hexaware was the winner of 'Special Commendation' for the Golden Peacock Award for Excellence in Corporate Governance, 2013.
- Hexaware was the winner of the 'IT Excellence' Award conferred by Vmware in association with CNBC.
- Hexaware won the 'EMC Transformers' Award conferred by the IDG group.
- Hexaware's annual report for the year 2012 received Plaque award for excellence in financial reporting from Institute of Chartered Accountants of India.
- Hexaware has been assessed at Level 5 of CMMI Multi Model Version 1.3 for Development and Services, becoming one of the few companies in the world to be appraised at Level 5 using the Multi-model approach.
- Caliber Point Business Solutions Limited, Hexaware's wholly owned subsidiary, won the best 'Health Insurance BPM Provider' Award at the BPM excellence awards 2012-13.
- Caliber Point Business Solutions Limited won the 'Best Outsourcing Service Provider' Award at the Asian Outsourcing Excellence Awards in 2013.

ACCOLADES

- Hexaware secured 183rd rank in Gartner's report titled 'Market Share: IT Services 2012', dated 29 March, 2013.
- Hexaware was ranked as the 15th largest India-based IT services company by Gartner in its report titled 'Market Share: IT Services, 2012' dated 29th March, 2013.
- Hexaware has been featured in the GS100 – 2013 list, which includes companies that define leadership in the global services business.
- Hexaware was mentioned in the Gartner report titled "CIOs and ERP Application Leaders Can Exploit the Impact of Differences in Third-Party Application Maintenance and Support Providers", dated 4th April, 2013.
- Hexaware has been covered in the Gartner report titled "CRM Market and Vendor Guide Cross-Reference Tool, 2013" dated 15th April, 2013.
- Hexaware was mentioned as one of the winners of Top 100 CISO Award, 2013, conferred by Inofsecurity Magazine, one of India's leading exclusive information security magazines.
- Hexaware has been mentioned as one of the fastest-growing providers in the Gartner report titled "Market Share Analysis: Consulting Services, Worldwide, 2012" dated 20th April, 2013.
- Hexaware has been mentioned as one of the sample vendors of Cloud-Driven Business and IT Services in the Gartner report titled "Hype Cycle for Bank Operations Innovation, 2013" dated 24th July, 2013.
- Hexaware has been mentioned as system integrators/cloud HCM vendors that have deployed cloud-based talent management solutions in the Gartner report titled "Best Practices in Deploying Talent Management in the Cloud" dated 11th, September, 2013.
- Hexaware has been mentioned as one of the sample vendors of Knowledge Process Services in the Gartner report titled "Hype Cycle for Application Services, 2013" dated 31st July, 2013
- Hexaware has been mentioned as one of the Mid-Tier full IT services near shore- and offshore-based providers in the Gartner report titled "Competitive Landscape: Application Testing Services" dated 31st July, 2013.
- Hexaware has been mentioned in the Everest report titled "Infrastructure Services IT Outsourcing (ITO) Service Providers' Assessment - 2013 Global Preview".
- Hexaware has been mentioned as one of the MidTier full IT services near-shore and offshore based providers in the Gartner report titled "Vendor Guide to the Right Application Testing Service Partner" dated 20th November, 2013

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Hexaware Technologies Limited will be held on Friday, the 25th day of April, 2014 at 3.30 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, Behind Prince of Wales Museum/Kala Ghoda, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Accounts

To receive, consider and adopt the Audited Balance sheet as at December 31, 2013 and the Audited Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.

Item No. 2 - Declaration of Dividend

To declare a Final Dividend on Equity Shares and to confirm the Interim Dividends on equity shares.

Item No. 3 - Re-appointment of Mr. Bharat Shah

To appoint a Director in place of Mr. Bharat Shah, who retires by rotation and being eligible, seeks re-appointment.

Item No. 4 - Re-appointment of Statutory Auditors

To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai with Registration Number 117366W / W - 100018 be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Deloitte Haskins & Sells LLP, plus applicable tax, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them."

By Order of the Board of Directors

For Hexaware Technologies Limited

Gunjan Methi
Company Secretary

Place : Mumbai

Date : March 28, 2014

Registered Office:

152, Millennium Business Park,
Sector - III, 'A' Block,
TTC Industrial Area, Mahape,
Navi Mumbai – 400 710.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. Members/Proxies should bring the enclosed *Attendance Slip* duly filled in, for attending the Meeting.

4. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.

5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting except holidays.

6. The Register of Members and Share Transfer Books of the Company was closed from Monday, March 24, 2014 to Friday, March 28, 2014, both days inclusive, in terms of the provisions of Section 154 of the Companies Act, 1956 and the applicable Clauses of the Listing Agreement entered into with the Stock Exchanges.

7. The Final Dividend as recommended by the Board of Directors at its meeting held on February 7, 2014 and approved at the Annual General Meeting to be held on April 25, 2014, shall be paid on April 29, 2014 to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before March 22, 2014. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership at the close of business hours on March 22, 2014 based on details furnished by National Securities Depository Limited and Central Depository Services (India) Limited, for this purpose.

8. Those Members who have so far not encashed their dividend warrants for the financial year ended December 31, 2006 onwards, may approach the Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Private Limited, at Sharepro Services India Pvt Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 for making their claim without any further delay as the said unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956.

9. Shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government.

10. A sum of ₹ 1,782,711/-has been transferred to the Investor Education and Protection Fund in the year 2013 towards unclaimed/unpaid dividend for the year 2005 and 2006.

11. Members are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise by filling up Form No. 2B. The shareholders are requested to avail of this facility. The duly filled in and signed nomination Form No. 2B should be sent to the Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Private Limited at the address mentioned elsewhere in the Notice.

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

13. Members are requested to:

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

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

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

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

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

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

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

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

16. The Certificate from the Auditors of the Company certifying that the Employees Stock Option Scheme of the Company is being implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, and in accordance with the resolution of the general meeting will be available for inspection to Members at the Annual General Meeting.

17. Members seeking any information relating to the Accounts may write to the Finance Department of the Company at its registered office at 152, Millennium Business Park, Sector - III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai – 400 710 or send an email at investori@hexaware.com.

18. Members are requested to bring their copies of the Annual Report for the meeting.

19. As communicated earlier, members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are under compulsory demat system.

20. As a part of 'Green Initiative in Corporate Governance' Ministry of Corporate Affairs (MCA) is allowing companies to send various official documents to their Shareholders electronically. Hence your company, **going forward, proposes to send all documents like Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report etc. and other communication to the members in electronic form at the email address provided by the members and made available to us by the Depository / Registrar & Share Transfer Agents (RTA). It is encouraged that members support this green initiative and update their email address registered with RTA / Depository to ensure that all communication sent by the company are received on the desired email address. Please let us know in case you wish to receive the above documents in paper mode**.

21. Re-appointment of Directors: At the ensuing Annual General Meeting, Mr. Bharat Shah retires by rotation and being eligible offers himself for re-appointment. The information pertaining to Director retiring by rotation to be provided in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges is furnished in the Statement on Corporate Governance published in this Annual Report.

By Order of the Board of Directors

For Hexaware Technologies Limited

Gunjan Methi
Company Secretary

Place : Mumbai

Date : March 28, 2014

Registered Office:

152, Millennium Business Park,
Sector - III, 'A' Block,
TTC Industrial Area, Mahape,
Navi Mumbai – 400 710.

Directors' Report

To the Members,

The Directors are pleased to present their Twenty-first Annual Report, on the business and operations of the Company, Hexaware Technologies Limited (hereafter referred to as 'The Company') together with audited accounts for the financial year ended December 31, 2013.

Financial Performance:

Global Operations: (USD Million)

Year ended December 31	2013	2012	Y-o-Y Growth %
Income from Operations	387.79	364.48	6.40%
EBITDA	86.58	76.28	13.50%
Profit from Operations *	80.00	70.21	13.93%
Profit before Tax	81.47	75.77	7.52%
Profit after Tax	64.43	61.51	4.75%

(₹ Million)

Year ended December 31	2013	2012	Y-o-Y Growth %
Income from Operations	22,853.48	19,481.78	17.31%
EBITDA	5,122.30	4,040.37	26.78%
Profit from Operations *	4,736.26	3,716.23	27.45%
Less: Exchange Rate Loss (net)	311.99	113.33	175.29%
Less: Interest	2.04	1.61	26.71%
Add: Other Income	372.74	438.28	-14.95%
Profit before Tax	4,794.97	4,039.57	18.70%
Less: Provision for Taxation	1,003.62	763.1	31.52%
Profit after Tax	3,791.35	3,276.47	15.71%

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

India Operations: (₹ Million)

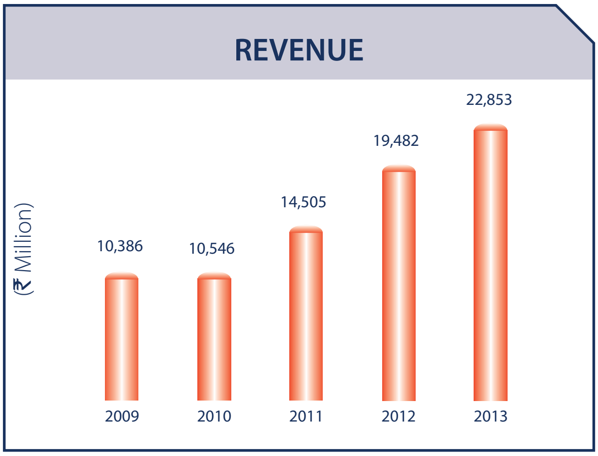
Year ended December 31	2013	2012	Y-o-Y Growth %
Income from Operations	10,199.54	9,124.74	11.78%
EBITDA	4,320.12	3,295.25	31.10%
Profit from Operations *	4,009.82	3,025.80	32.52%
Less: Exchange Rate Loss (net)	241.43	71.13	239.42%
Less: Interest	1.35	1.05	28.57%
Add: Other Income	333.23	458.52	-27.32%
Profit before Tax	4,100.27	3,412.14	20.17%
Less: Provision for Taxation	760.61	556.11	36.77%
Profit after Tax	3,339.66	2,856.03	16.93%
Add: Balance brought forward from previous year	3,822.01	3,129.17	
Balance available for appropriation	7,161.67	5,985.20	
Appropriation			
Transfer to General Reserve	334.00	300.00	
Interim Dividend	3,030.77	1,247.27	
Proposed Final Dividend	300.27	355.85	
Tax on Dividends	568.86	260.07	
Transfer to Special Economic Zone Reinvestment Reserve	223.94	–	
Balance carried forward	2,703.83	3,822.01	

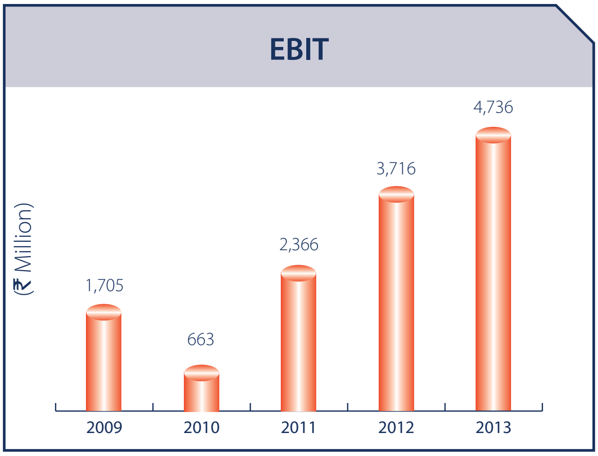
Results of Operations

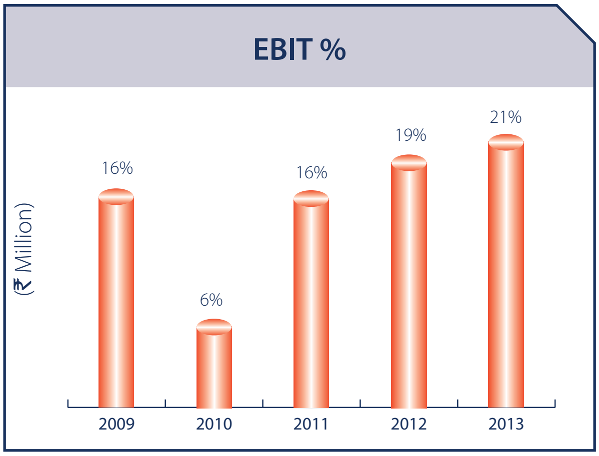
a) Global operations:

Income from operations increased to ₹ 22,853.48 million in 2013 from ₹ 19,481.78 million in 2012, growth of 17.31%. The growth in Dollar terms was 6.4%, reaching USD 387.79 million Growth was driven largely by volume increase, aided by increased realized bill rates.

Profit from Operations (profit before Exchange Rate Difference, Interest, Other Income and Provision for Taxation) was at ₹ 4,736.26 million in 2013 as against ₹ 3,716.23 million in 2012, growth of 27.45%. Profitability growth was driven by significant SG&A leverage, improved cost efficiency, 0.7% shift in favour of offshore, higher realized bill rates as well as currency benefits. Profit after Tax stood at ₹ 3,791.35 million in 2013 as compared to a profit of ₹ 3,276.47 million in 2012, growth of 15.71%. PAT margins were at 16.59% in Rupee terms.







Some of the major achievements of the Company in the year 2013 were:

- During the year 2013, 48 new clients were added. This took the total number of active clients to 233, up from 218 in December 2012.
- During 2013, the number of clients registering annual revenues in excess of USD 20 million each increased from 3 to 4 ; 5 clients in the USD 10 million - USD 20 million range, 7 clients in the USD 5 million - USD 10 million range, 39 clients in the USD 1 million - USD 5 million category.
- The Company has achieved two new milestones in Quarter 4 of 2013. The Company has for the first time crossed $ 100 million quarterly revenue and ₹ 100 Crores quarterly PAT

Significant Developments during CY 2013

Change in promoters of the Company:

HT Global IT Solutions Holdings Limited has become the new promoter of the company along with Parel Investment Holdings Limited through acquisition of shares under the Share Purchase Agreements from the erstwhile promoters and an investor and pursuant to the open offer under SEBI (SAST) Regulations. The promoters hold 70.87% of the share capital of the company as on March 21, 2014.

Other developments:

In 2013 many significant achievements have been recorded in various quarters. The company has strengthened its domain capability, increased breadth and depth of its service lines, have added significantly to the sales field organization and has made new investments to expand its focus on management program.

The Company signed a deal with revenue expected at USD 30 million for a period of three years, with an existing US based Fortune 500 Corporate to cater to multiple business users across different technology platforms.

Hexaware also launched a new Manufacturing Vertical to add to our growing presence in Banking & Financial Services, Global Travel and Transportation as well as Healthcare & Insurance.

Customer centricity is a major focus area at the Company. In the last year, the Company launched several new service offerings to deliver value to its customers.

Business Initiative on SMAC Technologies

Over the last few Quarters, Hexaware has built significant competency in SMAC (Social, Mobility, Analytics and Cloud) technologies. The use of SMAC technologies is already helping organizations to work more collaboratively by effectively using real time data. Hexaware has built proprietary accelerators which enable quicker adoption of these technologies by enabling organizations to virtualize their IT infrastructure and use real time unstructured data from social networks, to integrate with organizational data and provide real time analytics through Mobile devices. Hexaware is helping its customers realize the full potential of SMAC by stitching together these technologies cohesively and also by adopting business models which enable use of real time analysis.

Recognitions in SMAC Arena

Hexaware has been mentioned as one of the sample vendors of Cloud-Driven Business and IT Services, in the Gartner report titled "Hype Cycle for Bank Operations Innovation, 2013" dated July 24, 2013 by analyst Mary Knox.

Hexaware has been mentioned as one of the sample vendors of Cloud-Driven Business and IT Services in the Gartner report titled "Hype Cycle for IT Infrastructure and Outsourcing Services, 2013" dated July 31, 2013 by analyst Christine Tenneson.

Hexaware has been mentioned as system integrators/cloud HCM vendors that have deployed cloud-based talent management solutions in the Gartner report titled "Best Practices in Deploying Talent Management in the Cloud" dated September 11, 2013 by analysts Sunil Padmanabh, Ron Hanscome.

Business Updates on Quality Assurance & Testing Services

Hexaware has developed a tool which can be used for automated testing of reports on data migration and Business Intelligence testing projects. Further, it has also developed a new performance testing solution on the cloud using JMeter and Amazon Web Services (AWS). In addition, the Company has built significant expertise over HP ALM (Application Lifecycle Management) toolkit which allows customers to integrate source code and build application management tools. Through Hexaware's Center of Excellence Labs, the Company has developed a proprietary Accelerator for testing on Health Information Exchange, which is widely used in the US Healthcare Industry.

Other service offerings

- By virtue of being a Platinum-level member of the Oracle Partner Network, the Company has leveraged this strategic relationship to create value to the common customers by building its Intellectual Property (IP) assets on Oracle's PeopleSoft product using its proprietary PTF framework. Leveraging the Centers of Excellence (CoE) set up to foster Innovation, the Company has developed in excess of 5,500 functional test scripts. These scripts were developed using Oracle PeopleSoft Test Framework (PTF) automation tool to provide customer with a library of scripts. These scripts can be customized and deployed for individual customers. This initiative will help customers develop test scripts, identify change impacts using the power of automation and debug the code. PTF also provides functionality that interfaces with other PeopleSoft automation tools like Data Mover, PeopleSoft Query, and Process Scheduler.

  This vast library of scripts, an Intellectual Property asset of Hexaware, will directly benefit clients who are planning for either upgrading to PeopleSoft 9.2 or for new implementations. This initiative will provide a significant jumpstart in the planning and the execution phases. Automating the testing process by leveraging Oracle's PTF will enable business users and functional testers to execute the scripts with a greater accuracy in a shorter period of time, ensuring wider coverage of business functionality.

- Hexaware has partnered with Experitest to provide customers with SeeTest, a robust solution for end-to-end mobile application test automation. With Experitest's SeeTest, Hexaware will be able to steer a client's mobile test automation requirements in the right direction with consultants who are available to translate a client's needs into an effective application test solution through in-house frameworks.

  Mobile application test automation faces many challenges today, with most commercial solutions on the market falling short on delivery expectations in real life testing scenarios. Experitest's SeeTest overcomes these limitations with its enriched mobile test implementation capabilities, including same test runs on multiple devices with no jail-breaking required, local mobile device connectivity or through an on-site cloud, multiple object identification methods, and the ability to record actions based on the visualization of the device with no need for coding. SeeTest also identifies objects by their Native or Web properties, which ensures low maintenance of the scripts since they are not sensitive to interface changes in the application.

- The Company has also formed a new horizontal focused on Human Capital management (HCM) to build on its strengths in HR IT and BPO. It will work across all products in this space including the cloud based SAAS products as well as the Republic SAAS initiative on the HR.

b) India operations:

In the year 2013, the revenue of the standalone legal entity increased by 11.78% to ₹ 10,199.54 million. This is incomparison with revenue of standalone legal entity at ₹ 9,124.74 million in the previous year. The net profit after tax was ₹ 3,339.66 million as compared to a profit of ₹ 2,856.03 millionin 2012, an increase of 16.93%.

Reserves

The Company has transferred ₹ 334 million to General Reserve almost same as transferred in the previous year. With this addition, the total General Reserve as on December 31, 2013 is at ₹ 1,876.87 million. Further, the balance in the P&L Account is ₹ 2,703.83 million.

Forex Mark-To-Market: The Company has adopted AS-30 principles of recognition and measurement for accounting of forward exchange contracts and derivative contracts and the year-end Hedging Reserves stood at loss of ₹ 1,176.45 million, as compared to ₹ 697.62 million in the previous year. In summary, total reserves stood at ₹ 8,285.52 million, including ₹ 4,654.45 million of Securities Premium account.

Dividend

During the year 2013, the Company paid three interim dividends on equity shares, Q1 – ₹ 1.20 (60%), Q2 – ₹ 1.40 (70%), Q4 - ₹ 7.50 (375%).

The Board of Directors has recommended a payment of final dividend of Re.1.00 per share (50%) on an equity share of ₹ 2/- each, at its meeting held on February 7, 2014, due for approval at the AGM. Including this, the total dividend for the year inclusive of interim dividends would amount to ₹ 11.10 per share (555%) on equity shares.

The total cash out go on account of interim dividend and final dividend & tax there on amounts to ₹ 3,894.68 million.

The break-up of dividend is a sunder:

(₹ Million)

	Q1	Q2	Q4	Final	Total
Dividend	358.35	418.30	2,252.00	300.27	3,328.92
Tax	60.90	71.09	382.73	51.03	565.75
Total	**419.26**	**489.39**	**2,634.73**	**351.30**	**3,894.68**

Share capital

The paid-up Share Capital of the Company as on December 31, 2013 was ₹ 599.75 million comprising of 299,875,947 Equity Shares of ₹ 2/-each. During the year 3,331,156 shares were issued under ESOP under different schemes.

The market capitalization of the Company as on December 31, 2013 was at ₹ 39,508.6 million (USD 639.30 million). The market capitalization is calculated on the basis of closing price of ₹ 131.75/- on the National Stock Exchange and the closing exchange rate of 1USD = ₹ 61.80 as of December 31, 2013.

Investment

Subsidiaries and Branches:

No additional investments in subsidiaries / branches were made during the year 2013.

The Board of Directors of the Company has approved the scheme of merger of Caliber Point Business Solutions Limited, the 100% subsidiary, with the Company. The company is in the process of seeking necessary approvals and filing application with the High Court, Mumbai and various other Government Agencies.

Infrastructure:

A tangible signature of the Company's growth aspirations is its investment in infrastructure. The Company has invested ₹ 411 million in 2013 for expanding its physical and technical (IT) infrastructure globally. This is indicative of its passion to motivate a dynamic team to provide quality support for its global sales and delivery operations.

Delivery Centres

i) India based Global Delivery Centres

Mumbai:

The Company has three Offshore Development Centers (ODCs) at Millennium Business Park in Mahape, Navi Mumbai. One of these is the registered office of the Company. There are 1500 employees working from these centers having capacity of 1650 employees. The Company's wholly owned subsidiary Caliber Point Business Solutions Limited also operates out of another building in the same complex, with 800 employees - providing BPM services to its global clients.

Chennai:

There are around 3200 employees working from the Company's 27 acre campus in Chennai. This campus now houses all employee-friendly amenities like recreation center, library and gymnasium facilities – offering plenty of avenues for relaxation and rejuvenation as well as knowledge enhancement through Hexavarsity – the Company's in-house Learning and Development University. The Company's Chennai "green campus" conforms to eco-friendly norms and regulations, like optimal use of solar energy, use of eco- friendly building materials and a judicious spread of landscaped spaces around seating facilities across various levels. Currently seating capacity is expanded to 5000 seats. The wholly owned subsidiary, Caliber Point Business Solutions Limited also operates out of another facility in Chennai with over 450 employees working from the facility.

Pune:

In Pune, the Company has ODC at Rajiv Gandhi InfoTech Park in Hinjewadi SEZ with 435 employees working from the centre.

Nagpur:

The Company and Caliber Point, the wholly owned subsidiary company, together own 20 acres of land in Nagpur, a tier II city, at an SEZ location. This facility is currently operational with over 300 professionals of Caliber Point. It has seating capacity to accommodate 1000 professionals.

Bengaluru:

This facility in the India's IT capital now seats in excess of 450 employees. This facility mainly houses the delivery operations for a major global client and is now being staffed with senior managerial roles in line with our increasing focus in solving their business-critical challenges.

Coimbatore:

Caliber Point Business Solutions Limited, the Company's wholly owned subsidiary, has a facility in Coimbatore with 150 employees working from the facility.

ii) Overseas Global Delivery Centres

New Jersey (USA):

The Company has an established Global Delivery Centre (GDC) at Secaucus, New Jersey (USA) for a few years now to cater specifically to its American clients. While this proximity centre offers benefits such as the same time zone, direct communication and enables convenient management over sight, it also further enables the clients to outsource mission - critical tasks and share secure information that would have otherwise not been shipped beyond the shores. The Company also has a GDC at Jamesburg to cater to the needs of the customer.

Saltillo (Mexico):

The Company has a strong presence in Mexico with a near-shore Delivery Centre at Saltillo with employee's strength of around 250. While Mexico offers cost competitiveness compared to the United States of America, the country also provides immense benefits in the form of same time zone, enables immediate response and access to a vast talent pool and an untapped emerging market. The Company intends to leverage its near shore Delivery Centre to cater to several global clients as an addition to the other existing options of continuing operations in the USA or in the Company's locations in India. Earlier this year, the Company also inaugurated its third Global Delivery Center (GDC) in Saltillo, Mexico.

Frisco, near Dallas:

During the second quarter, the company inaugurated its new Global Delivery Centre (GDC) at Frisco, near Dallas in the state of Texas, USA with employee's strength of around 40. The new onshore delivery center is situated in a prime location and in close proximity to several key clients. The state of the art infrastructure enables the Company to undertake critical IT projects, thereby adding value to existing and new customers alike.

Global Cash Position

The cash generated from operations in 2013 was ₹ 3,358 million. Inflow on account of treasury operations (interest income on the investments made and dividend received from Mutual Funds) was ₹ 266 million. The Company has invested in Mutual Fund, an additional amount of ₹ 1,035 million. The Company has invested ₹ 411 million in fixed assets. During the year, the Company paid dividend of ₹ 1,332 million. The Company has received ₹ 79 million from issue of shares. As of December 31, the cash position of the Company was ₹ 3,186 million, equivalent in USD 51.55 million. Including the Mutual Fund investments (cash equivalent), the total cash & cash equivalents was at ₹ 6,564 million equivalent USD 106.21 million.

Human Resource Capital

The company recognizes that "Human Capital" is the most valuable asset. The company has a robust and inclusive ecosystem in place which encourages meritocracy, innovation and excellence.

The Company's head count was 8,854 as on December 31, 2013

- The Company is focused towards attracting and retaining high caliber employees through sound and resilient human resource management process.
- The Company is focusing on HR analytics for workforce analysis, aiming towards introducing predictive analysis that will drive workforce planning, talent management and retention.
- The Company realizes the importance of connect with its employees and hence have embarked on a program called CPO speak. This is to provide a platform to meet with various teams and spans across geographies.
- Business meets at company level, departmental level as well as at the entry level are appropriate platforms for knowledge management and sharing information.
- These initiatives have not only helped to manage the diversified workforce around the globe but has also kept the employees motivated.

Salient Features and Compelling Value Proposition

At the Company, we believe in providing a holistic solution for our customers' needs. That is why the Company has the expertise to help customers at all stages of their IT initiatives. Whether they area small, mid-sized entity, or a large global enterprise, the Company can create a tailored road map with complete end-to-end solutions, combining both technology and business understanding. Across all industry verticals, corporations have trusted us to be there throughout their application life cycle. This includes advisory, rollout and implementation, development and testing, maintenance and support and Business Process Management. The Company's impressive suite of software solutions features several unique advantages that ensure high quality expertise and cost efficiency. These include:

Leaders in niche sectors

Over the years, the Company has developed and demonstrated leadership and expertise in focus areas. Our enterprise class solution offerings combined with best of the class enterprise integration skills are our key differentiators against competitors. The following are some of the niche sectors where we are the market leaders:

- One of the global market leader in PeopleSoft services
- Among the leading IT solution providers for the Airline industry
- Fast emerging among the top two Indian IT services provider in Germany
- Developed innovative solutions in capital market especially in Asset management

Strong domain knowledge

One of the biggest competitive advantages of the Company is the deep insight and strong domain knowledge in the niche areas that the Company has been focusing. In order to continue its leadership position and continue moving up in the value chain the Company has been reinvesting in itself continuously. The Company has created product Centre of Excellences that houses well defined framework, checklists, tools and accelerators. The employees have been dedicatedly working in these Centre of Excellences by leveraging modern tools and processes for developing solutions of tomorrow which will boost productivity and reduce project development in time.

Strong talent pool

The Company believes that its employees are the leaders of tomorrow and has been investing in them. The employees undergo several skill enhancement workshops and programs in order to hone their skills. The training structure ensures appropriate mix of domain and technical certification, soft skills training and cross cultural sensitization programs. The eLearning platform HexaGuru+ benefits the onshore associates working at client locations to continuously learn and upgrade their skills and enhance service delivery.

Flexible

As a mid-size vendor, the Company provides a great deal of flexibility in both the contractual and delivery models. This includes using innovative pricing and payment models that meet the unique expectations of the clients, as also optimizing the SEI CMMI Level 5 processes to meet specific customer requirements. The adaptable working relationships of the Company stretch from fixed time/ fixed fee/ time and material to Shared services model.

Committed top management

The management team at Hexaware takes personal interest in developing every client relationship to ensure that the customer comes first. The relationship and account managers ensure single point of contact and the well-defined escalation and risk management and mitigation procedures ensures high client satisfaction as visible through high contribution of the repeat business to the extent of 95.5% to the overall revenues.

Responsiveness

The Company is committed to making investments in account management and in building long-term, trusted relationships. One of the advantages brought from Hexaware is flexibility in terms of business model, engagement model and relationship model to ensure that clients derive greatest benefit from this relationship.

Effective delivery models

The Company has invested in building significant onsite delivery and consulting capability to absorb the process overheads of offshore by locating the business practice leaders, account managers and top management team. This structure enables quicker decision-making and ease of access to customers.

The Company has an enviable track record in building, operating and delivering solutions from very large offshore development centers (ODC). The Company offers proven business model for customers looking to exploit delivery capabilities across the globe. The models provide a framework for outsourcing large application and product management services and provide the customer with economies of scope and scale.

Program Risk Management

The Company continues to manage an initiative to monitor critical projects based on criticality index derived from few identified parameters. A separate Steering Committee of senior executives in the Company has been formed who hold regular meetings and continuously watch over the progress of such projects. There are established processes to identify and mitigate any risk during the transition process as well as when the relationship is stable. The processes are invoked to ensure the overall risk or delays, which can hinder the success of the ODC, are minimized.

Process and Methodologies

The Company has institutionalized a number of processes and innovative methodologies, which has built in risk mitigation strategies and cost efficiencies. The Company's approach addresses the key issues of transition management and operational efficiency improvement.

Your company continues its process improvement journey. In the year 2013, your company has acquired additional certifications on ISO/IEC 2000-1:2011 and was appraised at Level 3 of SEI-CMMI Services Version 1.3. This is in addition to existing certifications like ISO 9001:2008, SEI CMMI Development Version 1.2 Level 5, ISO 27001, SSAE16 & ISAE 3402-Type II assessment at Organization level.

The Company have been assessed at Level 5 of CMMI Multi Model Version 1.3 for Development and Services recently. Less than 10 companies in the world are appraised at Level 5 using the Multi-model approach.

Company focused on Corporate Governance

The Company has two "Big 4" firms as auditors - M/s. Deloitte Haskins & Sells LLP as its Statutory Auditors and KPMG as its internal auditors. Ernst Young are the tax advisors of the Company. The Company's Board of Directors comprises eminent professionals in the respective fields with rich experience in policy-making and strategy formulation. All the major committees of the Board are headed by Independent Directors, and the Company has followed Cadbury Committee's recommendation of having two different individuals as Chairman & CEO for several years. The Company won the Special Commendation of the prestigious Golden Peacock Award for the year 2009 and 2013 for excellence in Corporate Governance and was the winner of the award in the year 2011.

Awards:

The company won the following awards in 2013:

- Hexaware was the winner of 'Special Commendation' for the Golden Peacock Award for Excellence in Corporate Governance, 2013.
- Hexaware was the winner of the 'IT Excellence' Award conferred by Vmware in association with CNBC.
- Hexaware won the 'EMC Transformers' Award conferred by the IDG group.
- Hexaware's Annual Report for the year 2012 received Plaque award for excellence in financial reporting from Institute of Chartered Accountants of India.
- Hexaware has been assessed at Level 5 of CMMI Multi Model Version 1.3 for Development and Services recently. Less than 10 companies in the world are appraised at Level 5 using the Multi-model approach.
- Caliber Point Business Solutions Limited, Hexaware's wholly owned subsidiary, won the 'Health Insurance BPO Provider' Award at the BPO excellence awards 2012-13.
- Caliber Point Business Solutions Limited won the 'Best Outsourcing Service Provider' Award at the Asian Outsourcing Excellence Awards in 2013.

Risk Management

The Company has put in place an 'Enterprise-wide Risk Management' (ERM) programme based on the framework recommended by the 'Committee of Sponsoring Organisations' (COSO) formed by the Treadway Commission. The risk reports prepared by the Risk Officer are reviewed by the Board of Directors at regular intervals.

The risk management process is revisited and reviewed annually in order to keep it aligned with the changing global and business risks. The operations risk management process is automated and accessible to all units of operation across the globe and the same is reviewed by the risk office on regular basis.

The primary objective of ERM function is to implement a framework that augments risk response decisions and reduce surprises. ERM programme involves risk identification, assessment and risk mitigation planning for strategic, operational and financial and compliance related risks across various levels of the organization.

The Board of Directors and senior management team recurrently assess the operations and operating environment to identify potential risks and take necessary mitigation actions. The Banking, Investments & Operations and Forex Committee of the Board oversee activities related to Foreign Exchange matters and the Banking, Investments & Operations respectively.

Key elements of risks

1. Micro – economic risks: The economic environment, pricing pressure and decreased employee utilization rates could negatively impact its revenues and operating results. Company's major revenues come from client based in US and Europe. An economic slowdown or any other factor that affects economic health of US and Europe, may affect its business.

2. Delivery and operational risks: The growth and success depends on its ability to hire, attract, motivate, retain and train highly-skilled technology personnel. Failure to complete fixed price, fixed time framed or transaction based pricing contracts within budget and on time may significantly affect our profitability.

3. Accounts risks: Competition and shifts in customer's perspective may affect its business. Some of our long term contracts contain benchmarking provisions which if triggered, could result in lower future revenues and profitability under the contract.

4. Regulatory risks: any change in regulations in any of the jurisdiction of its operations may hamper growth and cause decline in revenue. The restriction on immigration may affect its ability to compete and provide services to customers in US, Europe and other jurisdiction.

The risk faced by the Company is discussed in detail in the Management Discussion and Analysis section of this Annual Report

Internal Audit & Controls

The Company continues to engage KPMG as its internal auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Talent Management – Asset Development.

The Company is future focused and is fully aware about what it needs from its talent. It has a systematic structured approach of attracting , identifying, developing, engaging/retaining and deploying of those individuals with high potential who are of particular value to an organization, either in view of their high potential for the future or because they are fulfilling business/operation critical roles.

The company has a pipelined approach of identifying future talent needed by the organization, also with the Planned Development Programs nurturing them for times when they are escalated to the top positions.

The HR/Learning and Development team provides clarity about expectations and the different capabilities required at different levels also healing their skill gap with some prominent development programs at each level.

The company continued its focus on employee motivation through revamping the Rewards and recognition system incorporating more categories to encourage talent. Most importantly this is devised along with delivery managers to make it relevant and appropriate.

The Company focuses on talent management through interventions like smooth process (from Hiring to retention), managing the programs as per diversity of the work force, and supporting high performers with an effective talent management system.

HexaVarsity

Learning & Development

The Company's drive to excel through a talented workforce is spearheaded by HexaVarsity, the Corporate University for Learning & Development (L&D). HexaVarsity handles learning & development of the Campus Hires and current employees to equip and prepare the associates with cutting edge skills and develop continuous talent in-house.

During the year HexaVarsity trained 215 campus recruits and successfully brought them on board. The enhancement training program this year covered new areas like Mobile technologies and Cloud, mini class room projects and higher cut-off for assessment which ensured induction of excellent new talent into the organization.

During the year, HexaVarsity launched several new initiatives aligned to the business goals of the Company. Hexavarsity launched enhanced 'Role based Learning Plans' comprising technical and behavioural plans to help the associates prepare themselves well for their role and career progression. The Company leveraged its practioners to develop and launch new courses for Program Management and Pre-Sales support as new Step Up programs for the middle managers. The Company also launched a new Step Up program for Certified Information Security Auditors this year. Under its Business Professional development initiatives, the Company launched new programs on Customer Focus and Cross-cultural integration this year.

The year also saw several continuous improvements to its learning & development methodologies. The Company designed and launched a Learning Index to objectively track its learning progression. Based on industry best practices, the Company formed a new Learning Council and designated Learning Champions that has given a fillip to learning initiatives. The eLearning platform HexaGuru+ was further enhanced with the roll out of eBooks with over 12000 titles this year. This will benefit the onshore associates working at client locations to continuously learn and upgrade their skills and enhance service delivery. With the active participation of its in-house talent, the company also produced about 56 days worth of online learning content in-house that helps in learning and knowledge management of its specialized skills.

The path breaking Competency Development Framework has also been enhanced with learning plans for Vertical specific roles, new areas like Cloud Applications, Mobile and User Interface design this year.

The blended learning approach with two prong thrust on eLearning and classroom learning enhances efficiency and scalability to handle the Global workforce of the Company - the average learning days per associate has increased by 1 day this year.

As part of the Corporate Social Responsibility and Industry-Academia interactions, the company actively supported Student and Faculty development programs during the year. The Company closely collaborates with the ICT Academy of Tamil Nadu to support its Bridge programs and have a representative in their Board of Studies. The company has hosted several seminars and workshops in Colleges, provided 30 internships, facilitated 3 In-plant visits for students and faculty of a learning Management Institute from Thiruvananthapuram this year which was well appreciated by them.

Corporate Governance and Management Discussion and Analysis

The Company endeavors to maximize the wealth of the shareholders by managing the affairs of the Company with a pre-eminent level of accountability, transparency and integrity. A report on Corporate Governance including the relevant Auditors' Certificate regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed. Management Discussion and Analysis is also annexed.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

Employee Stock Option Plans (ESOP)

Pursuant to the approval of the shareholders, the Company has instituted the Employee Stock Option Scheme, 2002, Employee Stock Option Scheme, 2007 and Employee Stock Option Scheme, 2008 for all eligible employees, directors (excluding promoter directors) of the Company and employees of its subsidiaries. All the plans are administered by the Remuneration & Compensation Committee of the Board.

During the year 2013, following were the movements under ESOPs: 3,331,156 options were exercised and the Company allotted 3,331,156 equity shares of ₹ 2/- each to Directors and employees on exercise of Stock Options. These shares have been listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. No options were granted under any of the schemes during the year 2013. ESOP Disclosures in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines are given on page no. 47 to 49 of the Annual Report.

Fixed deposits

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

Insurance

The Company has sufficiently insured itself under various insurance policies to mitigate risks arising from third party or customer claims, property/casualty, etc.

Errors & Omissions / General Liability

In a global services business, customers insist on taking suitable Insurance covers including Errors & Omission (Professional

Indemnity) and Commercial General Liability. The Company has taken appropriate insurance covers with reputed insurers & re-insurers to protect the Company from any third party liability claims that may arise at any point of time.

Directors & Officer's Liabilities (D&O) /Employment Practices Liability Insurance (EPLI) / Crime

D&O policy covers the Directors & Officers of the Company against the risk of third party actions arising out of their actions / decisions, which may have resulted in financial loss to any third party. The Company has appropriately insured itself to mitigate such risks coming from any third party. EPLI Insurance protects the Company from claims from employees or third parties on account of any actual or alleged Employment Practice Violation. Crime insurance protects the Company from loss of money, securities or other financial loss arising from any fraudulent or criminal activity of employees or third parties.

Property / Casualty

The Company has insured its various properties & facilities against the risk of fire, theft etc. so that financials are not impacted in the unfortunate event of such events. The employees of the Company are covered under various employee benefit Insurance against Hospitalization, Accidental Disability and Death.

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

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed and forms part of this Report.

Subsidiaries

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. The Board of Directors of the Company has by a resolution given consent for not attaching the Balance Sheet of the subsidiaries concerned. A statement containing brief financial details of the Company's subsidiaries for the financial year ended December 31, 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company. The Company shall furnish a copy of annual accounts of subsidiaries to any member on demand.

The Board of Directors of the Company has also approved the scheme of merger of Caliber Point Business Solutions Limited, the 100% subsidiary, with the Company. The company is in the process of seeking necessary approvals and filing application with the High Court, Mumbai and other Government Agencies.

Directors

In accordance with the Articles of Association of the Company, Mr. Bharat Shah, Director of the Company, retires by rotation at this Annual General Meeting and, being eligible; offers himself for re-appointment.

The information to shareholders as per Clause 49 of the Listing Agreement pertaining to brief resume, expertise in functional areas, names of companies in which Mr. Bharat Shah is a Director etc. is being provided separately in the Annexure on Page No. 67 of the Corporate Governance Report of this Annual Report. Members are requested to refer the said section of the Corporate Governance Report.

Auditors

In terms of provisions of Section 224 of the Companies Act, 1956, M/s. Deloitte Haskins & Sells LLP retire at this Annual General Meeting and being eligible, offer themselves for re-appointment. Pursuant to the recommendation of the Audit Committee at their meeting held on February 7, 2014 recommending re-appointment of M/s. Deloitte Haskins & Sells LLP as Statutory Auditors of the Company, for the financial year 2014, the Board of Directors have, subject to the approval of the shareholders, at their meeting held on February 7, 2014 approved the re-appointment of M/s. Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company for the financial year 2014 and to hold office till the conclusion of the next Annual General Meeting.

In terms of provisions of section 224(1B) of the Companies Act, 1956. M/s. Deloitte Haskins & Sells LLP have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act.

Particulars of employees

As required by section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees forms part of this report. However, as permitted by section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent excluding the statement containing the particulars to be provided under section 217(2A) of the Act.

Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy thereof.

Acknowledgment

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

For and on behalf of the Board of Directors

Atul K. Nishar
Chairman

Place: Mumbai
Date: March 28, 2014

ANNEXURE TO THE DIRECTORS’ REPORT

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS REPORT IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, AND RULES MADE THERE UNDER.

CONSERVATION OF ENERGY:

The Company is entirely a services company and thus essentially, a non-energy intensive organization. Additionally, the Company’s facilities are set up at locations chosen for adequate availability and supply of energy, regardless of power shortages recently witnessed across many markets.

The Company acknowledges that power conservation is a necessity not only for future availability, but also environmental safety. Thus, the Company has in place adequate safeguards against excessive consumption and wastage of energy, in form of energy-friendly apparatus as well as minimal usage policies. All the computer terminals, air-conditioning systems, lighting and utilities are modern technology enabled so that optimum use of energy and power can be made. The state-of-the-art campus at Siruseri has been categorized as a “Green Campus” because of its eco-friendly design.

The Company undertakes “Earth Day”, “Save Energy” and similar green campaigns throughout its locations to reiterate renewed commitment to fulfilling environmental obligations.

TECHNOLOGY ABSORPTION:

In an endeavor to stay abreast of most recent advancements across the technology spectrum, the Company has entered into partnerships, alliances and tie-ups with major global players in the I.T. Industry. This helps the Company to harness the latest and the best of technologies in its field, upgrade itself in line with the latest technologies in the world and absorb technology wherever feasible, relevant and appropriate. Through exchange of ideas and leveraging competencies, the Company has increased its market presence and delivered integrated best in breed offerings.

For e.g. the Company is actively engaging with Oracle in order to ready itself for the launch of PeopleSoft v9.2. Also the Company has actively invested in increasing its competencies in the Oracle Fusion range of products particularly focusing on Human Capital Management modules. Leveraging its Platinum partner status in the Oracle Partner Network ®, the Company has engaged with Oracle in participating in the Pre-release Testing phase of Oracle Fusion Product modules.

At the same time, the Company has also attached tremendous significance to indigenous development and upgrade of technology through its own extensive research and development. The benefits derived from these processes are phenomenal and have improved the quality of its world class services. It has also helped in diversifying the services portfolio while increasing cost efficiency. The Company has a significant percentage of its lateral talent drawn from major global players with a good understanding of their internal technology and consulting processes, engineering practices and knowledge centers. The Company has made representations in multiple industry seminars and conferences – useful in absorbing contemporary trends in technology and business processes from the industry.

RESEARCH & DEVELOPMENT:

The Company has a state-of-the-art Research and Development wing carrying on Research and Development activities to create Intellectual Property for the Company. This is in line with the Company’s established philosophy of maintaining and sustaining leadership status and the belief that R&D will be a crucial differentiator between companies, in the not-so-distant future.

The Company perpetuates in-house thought leadership through establishment of structured organizational frameworks like the Innovation Council. This is supported by senior management, and performs a mentoring role to screen and select promising concepts from among various project teams, and see them through implementation. This is an iterative process, conclusion of which results in a list of innovative tools, accelerators and methodologies that add value to current and future clients.

The Company has several Centers of Excellence (CoEs) and Advanced Solution Groups (ASGs) attached to individual practices and verticals for fostering innovation channeled to a particular area of interest. Under ample guidance from the Practice Head, the Company has dedicated long-time resources, as well as employees by rotation on short stints working here to exchange ideas and produce the desired results. These CoEs are not perceived as mere cost-centers with ambiguous commercial value, but rather as supplementary revenue generating units, especially with license sales seen over the last year. The Company’s list of Intellectual Property rollouts is impressive and spans across almost all its focus verticals and practices as also emerging areas of interest. The dedicated ‘Innovation Infrastructure’ ‘Innovation Council’ and ‘Innovation Labs’ framework, co-ordinates closely with focus practice groups to pilot and continuously test these incubated ideas.

Some tools, accelerators and other IP produced by the innovative minds this year would include Analytics for Investment Management (AIM) in Enterprise Data Management, Work Quikr in Mobility.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Foreign Exchange Earnings and Outgo are mentioned in Note No. 32 to 35 of the Notes forming part of the Standalone Accounts of the Company.

For and on behalf of the Board of Directors

Atul K. Nishar
Chairman

Place: Mumbai
Date: March 28, 2014

ESOP Disclosures

ESOP Disclosures in terms of SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999

Sr. No.	Description	ESOP - 2002		ESOP - 2007		ESOP - 2008	
1	Method used for accounting of the employee share-based payment plans	Intrinsic value method		Intrinsic value method		Intrinsic value method	
2	If Intrinsic value method is used, impact for the accounting period had the fair value method been used on the following -	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
	Net Results (In ₹ Million)	0.05	0.05	13.55	13.55	0.45	0.45
	Earning Per Share: Basic (In ₹)			Consolidated	Standalone		
	As Reported			12.70	11.19		
	Adjusted Pro Forma			12.65	11.14		
	Earning Per Share: Diluted (In ₹)						
	As Reported			12.59	11.09		
	Adjusted Pro Forma			12.54	11.04		
3	Description of each type of employee share-based payment plan that existed at any time during the year including the following -						
	Total No. of Options under the Plan	11,049,145		13,042,992		5,720,839	
	Vesting Requirements	Options : Vesting 25% on each successive anniversary of the grant date or as per the discretion of the Committee except in case of grants to directors vesting is 50% on each successive anniversary of the grant date or as per the discretion of the Committee.		Options: Vesting 25% on each successive anniversary of the grant date or as per the discretion of the Committee except in case of grants to directors, vesting is 50% on each successive anniversary of grant date and in case of special performance linked 1% stock options vesting is 50% on each successive anniversary on achieving specified performance targets. Performance Options: Vesting 25% on each successive anniversary of the grant date on achieving specified performance targets or as per the discretion of the Committee.		Options: Vesting 25% on each successive anniversary of the grant date or as per the discretion of the Committee. Performance Options: Vesting 25% on each successive anniversary of the grant date on achieving specified performance targets or as per the discretion of the Committee.	
	Maximum term of options granted	7 years		7 years		7 years	
	Method of settlement	Equity Settled		Equity Settled		Equity Settled	
4	Number and weighted average exercise prices of stock options for each of the following groups of options -	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
	- Outstanding at the beginning of the year	257,164	12.48	6,080,233	36.26	115,179	29.65
	- Granted during the year	-	-	-	-	-	-
	- Forfeited / lapsed during the year	-	-	264,355	40.85	16,540	5.00
	- Exercised during the year	189,664	12.49	3,080,353	24.21	61,139	28.22
	- Outstanding at the end of the year and	67,500	12.45	2,735,525	49.39	37,500	42.85
	- Exercisable at the end of the year	67,500	12.45	1,382,025	34.86	-	-
5	Number of options vested	67,500		1,382,025		-	
6	Total number of shares arising as a result of exercise	189,664		3,080,353		61,139	
7	Money realised by exercise of options (₹ In Million)	2.37		74.58		1.73	

ESOP Disclosures

Sr. No.	Description	ESOP - 2002	ESOP - 2007	ESOP - 2008
8	Employee wise details of options granted to: - Senior managerial personnel; - Employees holding 5% or more of the total number of warrants/options granted during the year - Identified employees who were granted warrant/ option, during anyone year equal to or exceeding 1% of the issued capital (excluding outstanding warrants/options and conversions) of the Company at the time of grant.	No grants made during the current year	No grants made during the current year	No grants made during the current year
9	For stock options outstanding at the end of the year, the period, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding options should be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those options	Details for ESOP 2002, 2007 and 2008 Scheme:		
		Price range ₹	**Nos.**	**Weighted average remaining life (months)**
		5 - 13.3	807,000	27
		30.7 - 42.85	347,000	39
		51.98 - 79.85	1,686,525	52
		Total	**2,840,525**	
10	For stock options granted during the year, the weighted average fair value of those options at the grant date and information on how the fair value was measured including the following - - Option pricing model used - Inputs to that model including - - weighted average share price (₹) - exercise price (₹) - expected volatility - option life (comprising vesting period+ exercise period) - expected dividends - risk-free interest rate - any other inputs to the model including the method used and the assumptions made to incorporate the effects of expected early exercise. - Determination of expected volatility, including explanation to the extent expected volatility was based on historical volatility. - Any other features of the option grant were incorporated into the measurement of the fair value, such as market conditions	No grants made during the current year	No grants made during the current year	No grants made during the current year
11	For other instruments granted during the year (i.e., other than stock options) - - Number and weighted average fair value of those instruments at the grant date - Fair Value determination in case - (a) fair value not measured on the basis of an observable market price (b) whether and how expected dividends were incorporated (c) whether and how any other features were incorporated	No other instruments were granted during the year	No other instruments were granted during the year	No other instruments were granted during the year

Sr. No.	Description	ESOP - 2002	ESOP - 2007	ESOP - 2008
12	For employee share-based payment plans that were modified / varied during the period - - Explanation of those modifications/ variations - Incremental fair value granted (as a result of those modifications/ variations) - Information on how those incremental fair value granted was measured, consistently with the requirements set out in points 7 and 8 of SEBI ESOP guidelines.	No modifications were made to the schemes during the year	No modifications were made to the schemes during the year	No modifications were made to the schemes during the year
13	Total expense recognised for the period for employee share-based payment plans (₹ million)	Nil (As the intrinsic value is 0)	- 0.32	- 0.14
14	Separate disclosure of that portion of the total expense that arises from transactions accounted for as equity settled employee share-based payment plans (₹ In million)	Nil (As the intrinsic value is 0)	- 0.32	- 0.14
15	For liabilities arising from employee share-based payment plans - Total carrying amount at the end of the period - Total intrinsic value at the end to the period for which the right of the employee to cash or other assets had vested by the end of the period.	Nil	Nil	Nil
16	Diluted earnings per options (EPS) pursuant to issue of shares on exercise of option. (in ₹)	Consolidated 12.59		Standalone 11.09

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(₹ Million)

1. Name of the Subsidiary	Hexaware Technologies Inc., USA	Hexaware Technologies GmbH, Germany	Hexaware Technologies UK Limited, UK	Hexaware Technologies Asia Pacific Pte. Limited, Singapore	Hexaware Technologies Canada Limited, Canada	Hexaware Technologies Mexico S de RL De CV, Mexico	Risk Technology International Limited,India	Caliber Point Business Solutions Limited, India	FocusFrame Europe BV,Netherland	Hexaware Technologies DO Brazil Limited, Brazil
2. The Financial Year of the Company ended on	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013	31st December, 2013
3. Holding Company	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Limited, India	Hexaware Technologies Inc., USA	Hexaware Technologies UK Limited, UK
4. Holding Company's Interest	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5. Shares held by the holding Company in the Subsidiary	30,026 Common Stock at no par value	3,618 equity shares of Euro 50 each	2,167,000 equity shares of GBP 1 each	500,000 equity shares of S$ 1 each	1 Common Stock of no par value	2 Participation Shares of 8,087,502 Pesos	1,000,000 equity shares of ₹ 10 each	11,780,000 equity shares of ₹ 10 each	1800 Common Stock of Euro 10 each	1,800 equity Shares of BRL 1 each
6. Reporting Currency	USD	EURO	GBP	SD	CAD	MXN	INR	INR	EURO	BRL
7. Exchange Rate	61.81	85.10	102.14	48.85	58.05	4.72	-	-	85.10	26.17
8. Capital	496.40	15.40	221.34	24.42	1.36	38.19	10.00	117.80	1.53	0.05
9. Reserves	1,190.98	217.57	56.67	188.41	60.65	85.72	(11.07)	631.07	116.27	(2.45)
10. Total Assets	4,680.95	382.68	524.20	293.80	78.44	273.57	2.82	959.98	118.06	13.64
11. Total Liabilities	2,993.57	149.71	246.19	80.97	16.43	149.66	3.89	211.11	0.26	16.04
12. Details of Investments	-	-	-	-	-	-	-	46.38	-	-
13. Turnover	14,328.55	1,452.39	1,395.13	556.31	126.19	793.26	5.11	1,016.92	3.38	32.51
14. Profit/(Loss) Before Taxation	535.63	44.36	47.42	23.05	10.55	42.34	3.57	(15.68)	(7.89)	(2.06)
15. Provisions for Taxation	215.50	14.92	11.75	0.25	2.78	13.91	0.68	(3.13)	(1.61)	0.39
16. Profit/(Loss) After Taxation	320.13	29.44	35.67	22.80	7.77	28.43	2.89	(12.51)	(6.28)	(2.45)
17. Proposed Dividend, if any	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
18. Material Change between the end of the Financial Year of the subsidiary Company and the Company's Financial year ended December 31, 2013										
a. Fixed Assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b. Investments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. Money Lent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d. Money borrowed other than those for meeting Current Liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes :

1) There has been no change in holding Company's interest in the subsidiaries between the end of financial year or the last of the financial years of subsidiary and the end of the holding Company's financial year.
2) Rampran Infotech Limited - Company name strucked off from registrar of company w.e.f. May 23, 2013.

For and on behalf of the Board

Atul K. Nishar
(Chairman)

Place : Mumbai
Date : February 7, 2014

Report on Corporate Governance

The detailed report on Corporate Governance, for the financial year January 1, 2013 to December 31, 2013 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. Company's philosophy on Code of Corporate Governance

Achieving success through Ethics, Transparency and Accountability is Hexaware's Corporate Governance philosophy.

We firmly believe that it is only through good corporate governance practices can we achieve sustainable growth of the organisation and create long-term shareholder value. Hence, our endeavour has always been to go beyond the letter of the law and observe corporate governance practices in the true spirit of the law, with high levels of accountability, transparency and integrity.

Hexaware's commitment to ethical and lawful business conduct is a fundamental value of our Board of Directors, management and employees and is critical to the company's success. We strive to uphold ethical and legal standards at all costs. We continuously build value for customers through innovative use of technology and talent without compromising on our core values such as honesty and integrity. We also believe that accurate and timely disclosures improve public trust and consequently attracts various stakeholders towards the Company.

We are committed to adopt International best practices in Corporate Governance. There is a separation of the role of Chairman of the Board and the Chief Executive Officer; a practice that has been in place for more than 12 years in the Company. The Company has adopted the Code of Conduct for Board of Directors, Senior Management Personnel and Prevention of Insider Trading. The Company also has in place an Information Security Policy that ensures proper utilization of the IT resources. Further, the Company provides detailed disclosures in quarterly financial statements to show where the funds are invested/ held in a safe manner. The Company has also implemented the Corporate Governance - Voluntary Guidelines 2009 in a substantial manner. With the focus on the core corporate governance principles of accountability, transparency and integrity and adoption of suitable global, local and industry best practices the Company is moving ahead in its pursuit of excellence in corporate governance.

2. Board of Directors

2.1 Composition and category of Directors:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience. The Board comprises of eight (8) Directors as on December 31, 2013. Of these, seven Directors are Non-Executive and three are Independent Directors. Mr. Atul K. Nishar is Non-Executive Chairman of the Board.

The Code of Conduct for all Directors and the Senior Management of the Company has been posted on the website of the Company at www.hexaware.com. All Directors and the Senior Management Personnel are under a requirement to affirm the compliance with the said Code annually. The necessary declaration by the CEO of the Company regarding compliance of the above mentioned code by the Directors and the Senior Management of the Company forms part of the Annual Report.

The composition of the Board of Directors of the Company as on December 31, 2013 is given below:

Name	Designation	Independent/ Non-Independent	Shareholding as on December 31, 2013
Mr. Atul K. Nishar (DIN 00307229)	Non-Executive Chairman	Non-Independent	$1,000
Mr. P. R. Chandrasekar (DIN 02251080)	Vice-Chairman & Global CEO	Non-Independent	Nil
Mr. R. V. Ramanan (DIN 01956549)	Executive Director	Non-Independent	Nil
Mr. Jimmy Mahtani * (DIN 00996110)	Non-Executive Director	Non-Independent	Nil
Mr. Kosmas Kalliarekos * (DIN 03642933)	Non-Executive Director	Non-Independent	Nil
Mr. Bharat Shah (DIN 00136969)	Non-Executive Director	Independent	@ 20,000
Mr. Abhay Havaldar # (DIN 00118280)	Non-Executive Director	Independent	Nil
Mr. Dileep Choksi * (DIN 00016322)	Non-Executive Director	Independent	Nil

$ Shares held by Mr. Atul Nishar's Family memebrs are as follows : Dr. (Mrs.) Alka Atul Nishar - Wife 1,000 shares, Ms. Devangi Atul Nishar – Daughter 3,43,720 Shares and Ms. Priyanka Atul Nishar - Daughter 3,15,690 Shares.

@ 50,000 shares are held in the name of Mrs. Anita Bharat Shah, wife of Mr. Bharat Shah as on December 31, 2013. As on March 21, 2014 11,000 shares are held by Mrs. Anita Bharat Shah.

* Appointed w.e.f October 11, 2013.

\# Resigned w.e.f. February 13, 2014.

2.2 Attendance of each Director at the Board Meetings and the last Annual General Meeting:

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

During the year seven Board Meetings were held respectively on February 11, 2013, April 29, 2013, July 19, 2013, August 23, 2013, October 11, 2013, November 11, 2013 and December 9, 2013.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2013 was as follows:

Directors	Board Meetings Held during the Tenure of Director	Board Meetings attended	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
				Directorship of other Indian Public Companies	Board Committee Membership/ (Chairmanship)
Mr. Atul K. Nishar	7	7	Yes	-	-
Mr. P. R. Chandrasekar	7	5	No	2	1
Mr. R. V. Ramanan	7	7	Yes	2	1
Mr. L. S. Sarma*	5	5	Yes	N.A.	N.A.
Mr. Bharat Shah	7	5	Yes	3	1
Mr. Shailesh V. Haribhakti*	5	4	Yes	N.A.	N.A.
Ms. Preeti Mehta*	5	5	Yes	N.A.	N.A.
Mr. Subrata Kumar Mitra*	5	5	Yes	N.A.	N.A.
Mr. Ashish Dhawan*	5	2	No	N.A.	N.A.
Mr. Abhay Havaldar#	7	6	Yes	2	1
Mr. S. Doreswamy*	5	4	No	N.A.	N.A.
Mr. Jimmy Mahtani@	3	3	NA	2	NIL
Mr. Kosmas Kalliarekos@	3	2	NA	NIL	NIL
Mr. Dileep Choksi@	3	2	NA	8	6(2)

* Resigned as Director w.e.f. October 11, 2013

\# Resigned as Director w.e.f. February 13, 2014

@ Appointed as Additional Director w.e.f. October 11, 2013 and confirmed as a director at the EGM held on December 13, 2013

Notes:

1. None of the Directors of the Company hold membership of more than ten Committees nor is a Chairperson of more than five committees (as specified in Clause 49), across all companies of which he/ she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at December 31, 2013 have been made by the Directors.
2. The committees considered for the above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee and Shareholders/ Investors Grievance Committee.
3. Information placed before the Board for consideration is specified in Clause 2.4.

2.3 The details of Directorship of the Company's Directors in other Indian Public Companies are given below:

Mr. Atul K. Nishar	NIL
Mr. P. R. Chandrasekar	Risk Technology International Limited, Caliber Point Business Solutions Limited (both 100% subsidiaries of Company)
Mr. R. V. Ramanan	Risk Technology International Limited, Caliber Point Business Solutions Limited (both 100% subsidiaries of Company)
Mr. Jimmy Mahtani	Bhushan Power & Steel Limited, Sharekhan Limited
Mr. Kosmas Kalliarekos	NIL
Mr. Dileep C Choksi	ICICI Lombard General Insurance Co. Ltd., ICICI Prudential Asset Management Co. Ltd., ICICI Home Finance Co. Ltd., Datamatics Global Services Limited, Lupin Limited, ICICI Bank Ltd., National Stock Exchange of India Limited, ACE Derivatives and Commodity Exchange Limited
Mr. Bharat Shah	HDFC Securities Limited, Hill Properties Ltd., IDFC Alternatives Limited,
Mr. Abhay Havaldar	Jubilant Life Sciences Limited, National Stock Exchange of India Limited

2.4 Information provided to the Board:

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are circulated either as part of the agenda papers in advance of the Board Meetings or are tabled in the course of the Board Meetings. This, inter-alia, includes:

1. Annual operating plans of businesses, capital budgets and any updates.
2. Quarterly results of the Company and its operating divisions or business segments.
3. Minutes of the Audit Committee and other Committees as well as abstracts of circular resolutions passed.
4. Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
5. Materially important litigations, show cause, demand, prosecution and penalty notices.
6. Fatal or serious accidents, dangerous occurrences.
7. Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
8. Details of any joint venture or collaboration agreement.
9. Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
11. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
12. Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
13. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
14. Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services as non-payment of dividend and delays in share transfer.
15. General notices of interest received from directors.

2.5 Brief resume of Director who will be retiring by rotation and is eligible for re-appointment at this Annual General Meeting of the Company:

Mr. Bharat Shah joined the Hexaware Board on July 29, 2008.

Mr. Bharat Shah is the Chairman of HDFC Securities Limited. He was one of the founder members of HDFC Bank and joined HDFC Bank in December 1994 as an Executive Director. He is on the Board of various companies like Computer Age Management Services Private Limited, ADFC Pvt. Limited, Hill Properties Ltd., Salisbury Investments Pvt. Ltd., IDFC Alternatives Ltd. and Faering Capital Trustee Co. Pvt. Ltd.

Mr. Shah acts as a Trustee at Vanita Vishram Trust. He is Chairman of BSE Investment Committee.

Mr. Shah has received his Bachelors in Science (B.Sc) degree from the University of Mumbai in the year 1967. He also holds a Degree in Applied Chemistry with special reference to Metal Finishing from Borough Polytechnic, London (1967-1969).

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, Statutory and Internal Auditors on the financial reporting process and the safeguards employed by them.

The Company has adopted the Audit Committee Charter at the Audit Committee meeting held on January 25, 2007 defining therein the Role, Membership, Operations, Authorities, Responsibilities and Disclosure Requirements of Audit Committee.

3.1 Composition, name of Members and Chairman:

The Audit Committee of the Company till October 11, 2013 comprised of the following members: Mr. S. Doreswamy (Chairman), Mr. Shailesh V. Haribhakti, Mr. L. S. Sarma, Mr. S. K. Mitra, Ms. Preeti Mehta and Mr. Abhay Havaldar.

Pursuant to the resignation of five Independent Directors w.e.f. October 11, 2013, the Audit Committee was reconstituted w.e.f. November 9, 2013, which stood as at December 31, 2013 as follows : Mr. Dileep Choksi (Chairman), Mr. Abhay Havaldar and Mr. Jimmy Mahtani all being Non – Executive Directors.

All members of the Audit Committee have accounting and financial management expertise. Mr. Dileep Choksi is the Chairman of the Audit Committee and has accounting and financial management expertise.

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

During the year, the Audit Committee met four times respectively on February 8, 2013, April 26, 2013, July 18, 2013, November 11, 2013 and the necessary quorum was present at the meetings.

Since Mr. S. Doreswamy the then Chairman of Audit Committee could not attend the Annual General Meeting of the Company held on April 30, 2013, he authorised Mr. Shailesh Haribhakti, who attended the AGM and answered the queries raised by the shareholders.

The attendance record of the members is as per the table 3.3 below:

3.2 Broad terms of reference:

The terms of reference of the Audit Committee are as follows:

(a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements provide the highest levels of transparency, integrity and quality of financial reporting.

(b) To recommend the appointment/ re-appointment/ removal of statutory auditors, fixing audit fees and to approve payments for any other services. It takes all possible measure to ensure that independence of Independent auditor is maintained.

(c) To review with the Management the annual financial statements before submission to the Board, focusing primarily on:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Any changes in the accounting policies and practices.
- Major accounting entries based on the exercise of judgement by management.
- Qualifications in the draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with the accounting standards.
- Compliance with Stock Exchanges and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

(d) To review, with the Management, the quarterly financial statements before submission to the Board for approval.

(e) To review and approve annual accounts of the Company and recommend to the Board for consideration or otherwise.

(f) To review with the Management, performance of statutory and internal auditors and review the adequacy/ efficacy of internal control systems.

(g) To review the adequacy of internal audit function, including coverage and frequency of internal audit.

(h) To discuss with internal auditors about any significant findings and follow-up thereon.

(i) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(j) To discuss with statutory auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.

(k) To review the Company's financial and risk management policies.

(l) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(m) Reviewing, with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc).

(n) Review the operation of the whistle blower policy annually.

(o) Approval of appointment of CFO after assessing the qualifications, expressions and background, etc. of the candidate.

3.3 Meetings and Attendance during the year 2013:

Name of the Director	Category	No. of meetings held during the year / During the Tenure of Director and Meetings Attended		
		Meetings held during the Year	Meetings held during the Tenure of Director	Meetings Attended
Mr. S. Doreswamy–Chairman@ (upto October 11, 2013)	Independent	4	3	2
Mr. Dileep Choksi – Chairman (w.e.f. November 9, 2013)	Independent	4	1	1
Mr. Shailesh V. Haribhakti@	Independent	4	3	3
Mr. L. S. Sarma@	Independent	4	3	3
Mr. S. K. Mitra@	Independent	4	3	3
Ms. Preeti Mehta@	Independent	4	3	3
Mr. Abhay Havaldar$	Independent	4	4	4
Mr. Jimmy Mahtani (w.e.f. November 9, 2013)	Non-Independent	4	1	1

@ Resigned as Director w.e.f. October 11, 2013.

$ Resigned as Director w.e.f. February 13, 2014

4. Remuneration and Compensation Committee

4.1 Brief description and terms of reference:

The Remuneration and Compensation Committee of the Company till October 11, 2013 comprised of the following members : Mr. L. S. Sarma (Chairman), Mr. Bharat Shah, Mr. Ashish Dhawan, Ms. Preeti Mehta and Mr. Abhay Havaldar, all being Non-Executive Directors.

Pursuant to the resignation of five Independent Directors w.e.f. October 11, 2013 the Remuneration Committee was reconstituted w.e.f. November 9, 2013, which stood as at December 31, 2013 as follows : Mr. Abhay Havaldar – Chairman, Mr. Kosmas Kalliarekos and Mr. Bharat Shah. The scope of this Committee is to determine the compensation of the Executive Directors and senior management personnel. The Committee also approves, allocates and administers the Employee Stock Option Schemes and other matters as prescribed by the Listing Agreement from time to time.

4.2 Remuneration Policy:

Hexaware's remuneration policy is based on three tenets: pay for responsibility, pay for performance & potential and pay for growth. The Remuneration and Compensation Committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of the Whole-time Directors and Chief Executive Officer and to deal with all elements of the remuneration package of all such Directors. This includes details of fixed components and performance – linked incentives including stock options.

4.3 Meetings and Attendance during the year 2013:

During the year, Remuneration and Compensation Committee met 5 (Five) times respectively on February 12, 2013, March 22, 2013, April 26, 2013, July 18, 2013 and November 11, 2013 and necessary quorum was present at the meetings.

The attendance record is as per the table given below :

Name of the Director	Category	No. of meetings held during the year / During the Tenure of Director and Meetings Attended		
		Meetings held during the Year	Meetings held during the Tenure of Director	Meetings Attended
Mr. L. S. Sarma – Chairman@ (upto October 11, 2013)	Independent	5	4	4
Mr. Abhay Havaldar – Chairman$ W.e.f. November 9, 2013	Independent	5	5	5
Mr. Bharat Shah	Independent	5	5	4
Mr. Ashish Dhawan@	Non-Independent	5	4	2
Ms. Preeti Mehta @ (w.e.f. April 26, 2013)	Independent	5	3	2
Mr. Kosamas Kalliarekos (w.e.f. November 9, 2013)	Non-Independent	5	1	1

@ Resigned as Director w.e.f. October 11, 2013.
$ Resigned as Director w.e.f. February 13, 2014

4.4 Details of Remuneration paid or payable to Directors during the year 2013:

(Amount in ₹)

Name of the Director	Mr. R. V. Ramanan – Executive Director
Salary and allowances	12,672,858
ESOP Perquisite	15,749,874
Contribution to Provident Fund and Other Funds	425,824
Other Perquisites	32,951
TOTAL	**28,881,507**

Independent Directors

The Company pays Sitting Fees of (a) ₹ 20,000/- per meeting to its Independent Directors for attending meetings of the Board and (b) ₹ 20,000/- per meeting for attending meetings of Committees of the Board.

This year the Board of Directors has paid commission to the Independent Directors (Mr. Shailesh Haribhakti, Mr. L S Sarma, Mr. S K Mitra, Mr. Bharat Shah, Mr. S. Doreswamy and Mrs. Preeti Mehta) of ₹ 1,000,000 per person, aggregating to ₹ 6,000,000. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

The total number of stock options held by the Directors as at December 31, 2013 is as mentioned in the table 4.5.

4.5 Employee Stock Option Plan/ Sitting Fees/ Notice Period:

Name of the Director	ESOP	Sitting Fees for attending Board/ Committees Meetings	Commission paid for 2013	Notice Period
	Total No. of Options held as at 31.12.2013	Amount in (₹)	Amount in (₹)	
Mr. Atul K. Nishar	Nil	N.A.	N.A.	N.A.
Mr. Jimmy Mahtani	Nil	N.A.	N.A.	N.A.
Mr. Kosmas Kalliarekos	Nil	N.A.	N.A.	N.A.
Mr. P. R. Chandrasekar	Nil	N.A.	N.A.	90 days
Mr. R. V. Ramanan	125,000 – 2007 Scheme	N.A.	N.A.	90 days
Mr. L. S. Sarma*	Nil	280,000/-	1,000,000/-	N.A.
Mr. Shailesh V. Haribhakti*	Nil	180,000/-	1,000,000/-	N.A.
Ms. Preeti Mehta*	Nil	240,000/-	1,000,000/-	N.A.
Mr. S. K. Mitra*	Nil	160,000/-	1,000,000/-	N.A.
Mr. Bharat Shah	Nil	260,000/-	1,000,000/-	N.A.
Mr. Ashish Dhawan*	Nil	N.A.	N.A.	N.A.
Mr. S. Doreswamy*	Nil	120,000/-	1,000,000/-	N.A.
Mr. Abhay Havaldar$	Nil	80,000/-	N.A.	N.A.
Mr. Dileep Choksi	Nil	60,000/-	NIL	N.A.

*Resigned w.e.f. October 11, 2013.

$Independent w.e.f. October 11, 2013 and Resigned w.e.f. February 13, 2014.

During the year, Kanga & Co. a legal firm, where Ms. Preeti Mehta, an Independent Director was a partner has been paid ₹ 50,000/- as professional fees for legal services. The professional fees paid to the firm were not considered material to impinge on the independence of Ms. Preeti Mehta.

Notes regarding ESOP numbers mentioned in table above:

ESOP - 2007

Each Option entitles the holder to apply for and seek allotment of one Equity Share of ₹ 2/- each at price which is determined as per the SEBI guidelines in force as on the date of grant. The Options shall vest on specified dates in four equal installments in every Calendar Year. The holder can exercise the options at any time after the date of vesting till the last date of exercise, subject to the conditions laid down in the ESOP scheme.

5. Shareholders/ Investors Grievance Committee

5.1 Scope of Shareholders Grievances Committee :

The scope of the Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmission, non-receipt of annual report, non-receipt of dividend etc. and other related activities. In addition, the Committee also looks into matters which can facilitate better investors' services and relations.

Shareholders Services:

For the purpose of facilitating the shareholders, the Company has posted on its website detailed services for the Shareholders which contain information on the following:

a) Procedure for Dematerialization of shares;

b) Procedure for transfer of shares;

c) Procedure for transmission of shares;

d) Change of address;

e) Dividend;

f) Nomination Facility;

g) Loss of Share Certificates;

h) Rights as a Shareholder;

i) Result of Postal Ballot, if any;

j) Facility of online Shareholders'/ Investors' Satisfaction Survey on a continuous basis.

5.2 Composition, Meetings and Attendance of Committee:

The composition of the Committee during the year is given below, all being Non-Executive Directors except Mr. R V Ramanan :

Name of the Director	Category
Mr. S. K. Mitra (Chairman)[1] (upto October 11, 2013)	Independent
Mr. Atul K. Nishar – Chairman (w.e.f. November 9, 2013)	Non-Independent
Mr. R. V. Ramanan	Non-Independent
Mr. Jimmy Mahtani[2]	Non-Independent
Mr. Dileep Choksi[2]	Independent
Mr. S. Doreswamy[1]	Independent
Ms. Preeti Mehta[1]	Independent

Note : 1. Resigned w.e.f. October 11, 2013.

2. Became member w.e.f. November 9, 2013.

Committee expresses satisfaction with Company's performance in dealing with investor grievances.

5.3 Details of shareholders complaints received, cleared and pending, during the year 2013:

Nature of Complaints	Received	Cleared	Pending
Dividend, Interest and Redemption	10	10	0
Others/ Miscellaneous	3	3	0
TOTAL	**13**	**13**	**0**

All the Complaints have been resolved to the satisfaction of Investors.
Pending Transfers: There are no pending transfers as on December 31, 2013.

5.4 Company Secretary and Compliance Officer as on December 31, 2013:

Name of the Company Secretary and the Compliance Officer	**Mrs. Gunjan Methi**
Address	Building No. 152, Millennium Business Park, Sector III, "A" Block, TTC Industrial Area, Mahape, Navi Mumbai – 400 710.
Contact telephone	+91 22 4159 9595
E-mail	Investori@hexaware.com
Fax	+91 22 4159 9578

5.5 Other Committees of the Board:

i) **Banking, Investments, Operations and Forex Committee :** This Committee of the Board pro-actively reviews the Investment Policy of the Company, which has led to a timely change in investments, ensuring safety, liquidity and returns on the surplus funds. The Committee also oversees activities related to Foreign Exchange matters. A Foreign Exchange Risk Management Policy is in place to mitigate the key operational risks and risks of adverse exchange rates.

ii) **Capital Issue Committee :** The Capital Issue Committee of the Board approves the issue of securities by the Company. Generally the shares issued upon exercise of options by employees / directors under ESOP schemes are approved by the Capital Issue Committee.

iii) **Nomination Committee :** This committee looks after selection and recommendation of independent directors, evaluation of performance of directors, removal of directors and related matters.

6. Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Detailed note on Risk Management is given in the Management Discussion and Analysis Report.

7. Details of Annual General Meetings

7.1 Location, date and time where the last three Annual General Meetings were held:

Financial year	General Meeting	Location	Date	Time	Particulars of Special resolutions passed
2012	20th Annual General Meeting	Walchand Hirachand Hall (4th Floor), LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	Tuesday, April 30, 2013	4.00 p.m.	Renewal of Special Resolution passed for the payment of Commission not exceeding 1% p.a. of the net profits of the Company calculated in accordance with the provisions of Section 198, 349, 350 of the Companies Act, 1956 to Non–Wholetime Directors of the Company for a period of five years from January 01, 2013 to December 31, 2017.
2011	19th Annual General Meeting	M. C. Ghia Hall, 4thFloor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/Kala Ghoda, Mumbai – 400 001.	Friday, April 27, 2012	4.00 p.m.	NA
2010	18th Annual General Meeting	M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/Kala Ghoda,	Wednesday, April 27, 2011	4.00 p.m.	Approval of payment of Increased Salary paid to Mr. Ramanan R. V. from July 1, 2010 to October 27, 2010 i.e. till his appointment as the whole-time Director on October 28, 2010. Ratification of Grant of Options under Employee Stock Option Scheme 2002 to four Independent Directors.

7.2 Postal Ballot

No Postal Ballot was conducted during the year.

8. Disclosures

(a) There are no transactions with related parties i.e. with the Promoters, Directors, Management, subsidiaries or relatives that may have potential conflict of interest of the Company at large. Transactions with related parties are disclosed in Note No. 26 to the Standalone Accounts of the Company in the Annual Report.

(b) There has been no instance of non-compliance by the Company, no penalties or strictures being imposed on the Company by the Stock Exchanges or SEBI or any statutory authority or any matter related to capital market during the last three years, except ₹ 50,000/- paid against an order made under a compounding application to RBI.

(c) In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date, the Company has a comprehensive code of conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.

The Company follows closure of trading window prior to the publication of price sensitive information. The Company has set up a mechanism where the directors, management and relevant staff & business associates of the Company are informed about the same and are advised not to trade in Company's securities.

(d) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges:

(i) Remuneration Committee: The Company has set up a Remuneration & Compensation Committee. Please see the para on Remuneration & Compensation Committee for details.

(ii) Auditors qualification: Nil

(iii) The Company has framed and implemented a whistle blower policy. The policy enables employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This policy is reviewed annually by the Audit Committee to check the effectiveness of the policy. No personnel has been denied access to the Audit Committee.

(iv) Training of Board members: At the Board Meetings, apart from the regular agenda items, it is ensured that the Board members are provided a deep and thorough insight into the business model of the Company and updates through detailed presentations of various business unit heads, vertical heads, geographical heads, business practises etc. The Board members get an open forum for discussion and share their experience. The Board undertakes periodic review of various matters including business wise performance, risk management, foreign exchange related matters, internal audit reports etc. Efforts are also made to acquaint and train the Board Members about the emerging trends/issues in the industry through presentations by renowned external speakers.

9. Means of Communication

(a) The quarterly and half yearly results were published in Business Standard and Sakal. Other communications were published in Free Press Journal in English and Navshakti in Marathi.

(b) The Company's audited periodical financial results, press releases and the presentations made to institutional investors and analyst are posted on the Company's website – www.hexaware.com and websites of BSE and NSE viz. www.bseindia.com and www.nseindia.com

(c) The Management Discussion and Analysis (MD&A) report has been included in this Annual Report.

10. General Shareholder Information

10.1 Twenty First Annual General Meeting:

Date	April 25, 2014
Time	3.30 p.m.
Venue	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, behind Prince of Wales Museum/Kala Ghoda, Mumbai – 400 001.

10.2 Financial Calendar for the year 2013:

Financial year	**January 1, 2013 to December 31, 2013**
Dividend Payment	1st Interim Dividend was paid on May 16, 2013 @ ₹1.20 per share (60%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. 2nd Interim Dividend was paid on August 6, 2013 @ ₹ 1.40 per share (70%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. 3rd Interim Dividend was paid on February 26, 2014 @ ₹ 7.50/- per share (375%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. The Board of Directors have recommended final dividend @ ₹ 1.00 per share (50%) which may be approved by shareholders at the ensuing Annual General Meeting.
Book Closure	Monday, March 24, 2014 to Friday, March 28, 2014
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023. 2. National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. 3. Global Depository Receipts listed on London Stock Exchange Plc. 10 Paternoster Square, LondonEC4M 7LS

Financial reporting for the quarter ending (tentative)

March 31, 2014	By May 15, 2014
June 30, 2014	By August 14, 2014
September 30, 2014	By November 14, 2014
December 31, 2014	By February 28, 2015
Annual General Meeting for the year ending December 31, 2014	On or before June 30, 2015

10.3 Registered Office:

The Registered Office of the Company is situated at:

Building No. 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai – 400 710.

10.4 Scrip Information:

Name of the Exchange	Reuters	Bloomberg	Code
Bombay Stock Exchange Ltd.	HEXT.BO	HEXW:IN	532129
National Stock Exchange of India Limited	HEXT.NS		"HEXAWARE"
London Stock Exchange	HEXTq.L	HEXD:LI	
ISIN Demat	INE093A01033		

Corporate Identification number of the Company (CIN): L72900MH1992PLC069662

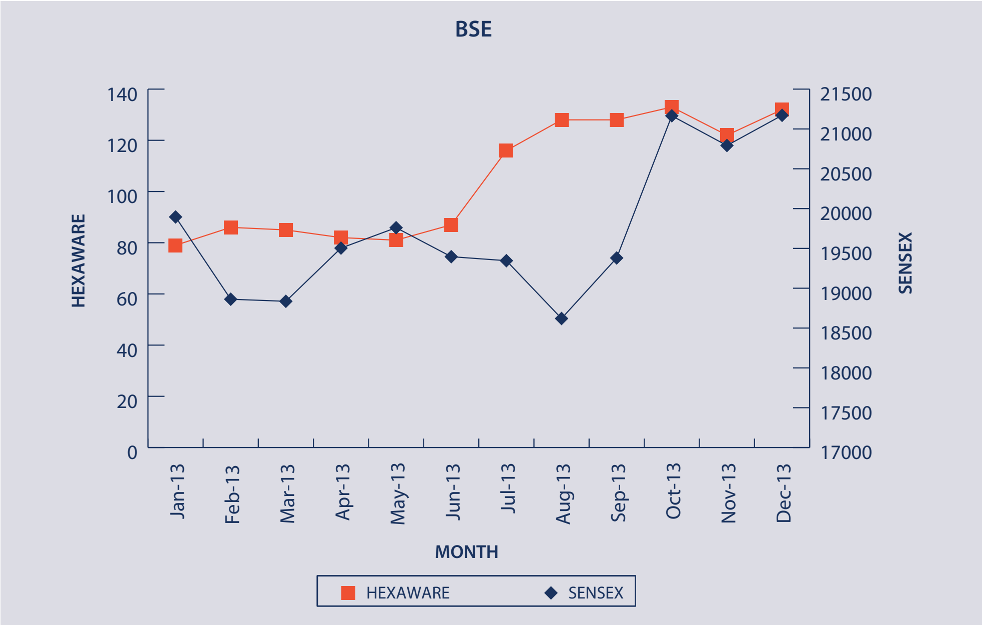
10.5 Stock Market Data:

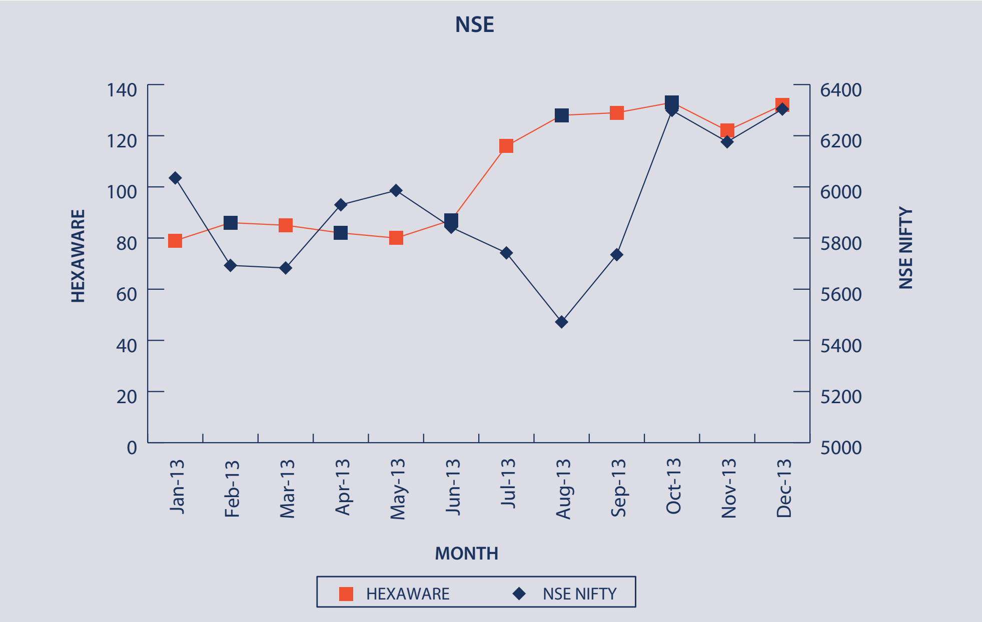
The high/ low of the shares of the Company from January 2013 to December 2013 is given below :

Month	Bombay Stock Exchange (₹)		National Stock Exchange (₹)	
	High	Low	High	Low
January'13	94.35	72.60	94.95	72.60
February'13	90.00	75.00	89.95	74.50
March'13	94.10	82.80	94.35	81.20
April'13	97.75	81.00	97.60	80.90
May'13	85.90	74.15	85.95	74.05
June'13	87.05	72.30	87.15	72.30
July'13	119.35	85.90	119.45	85.80
August'13	130.00	110.40	129.90	108.00
September'13	133.50	122.60	133.50	122.50
October'13	133.25	127.70	133.25	127.75
November'13	139.35	112.85	142.00	109.45
December'13	134.90	112.10	135.00	111.90

During the year, no trades have taken place of Company's GDR's on London Stock Exchange.

10.6 Stock Performance:





10.7 Registrar and Share Transfer Agents:

In order to attain speedy processing and disposal of share transfers and other allied matters, the Board has appointed M/s. Sharepro Services (India) Private Limited as the Registrar and Share Transfer Agents of the Company. Their complete postal address is as follows :

M/s. Sharepro Services (India) Private Limited
Unit: Hexaware Technologies Limited

13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.

Tel. Nos : 67720300/ 67720356
Fax. Nos: 28591568
E-mail: sharepro@shareproservices.com; anandp@shareproservices.com
indira@shareproservices.com

10.8 Share Transfer system:

The trading in Equity Shares of the Company is permitted only in dematerialized form. Share Transfers in physical form are registered and returned within 15 days from the date of receipt, if documents are in order in all respects.

The Registrar and Share Transfer Agents usually approve transfer of shares every week.

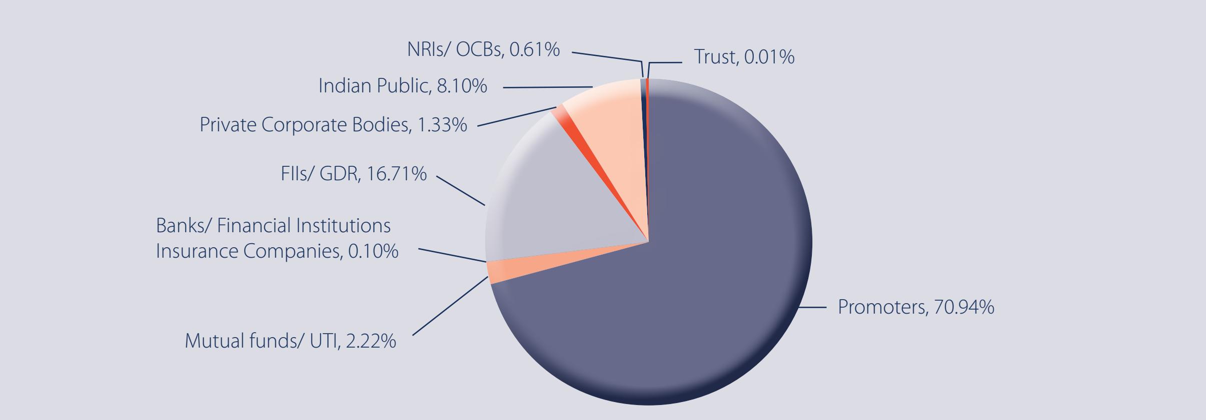
10.9 Distribution of Shareholding: As on December 31, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
1 – 500	76564	90.70	11612147	3.87
501 – 1000	4910	5.82	3675310	1.23
1001 – 2000	1665	1.97	2505862	0.84
2001 – 3000	400	0.47	1015807	0.34
3001 – 4000	235	0.28	856189	0.29
4001 – 5000	105	0.12	489900	0.16
5001 – 10000	204	0.24	1475995	0.48
10001 & above	338	0.40	278244737	92.79
Total	**84421**	**100.00**	**299875947**	**100.00**

Categories of Shareholding (as on December 31, 2013):

Sr. No.	Category of Holder	No. of Shares	% of Equity
1.	Promoters	212,723,451	70.94
2.	Mutual funds/ UTI	6,645,136	2.22
3.	Banks/ Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	293,255	0.10
4.	FIIs/ GDR	50,098,701	16.71
5.	Others:		
	- Private Corporate Bodies	3,987,015	1.33
	- Indian Public	24,285,998	8.10
	- NRIs/ OCBs	1,823,509	0.61
	- Trust	18,882	0.01
Sub Total		**30,115,404**	**10.04**
TOTAL		**299,875,947**	**100.00**

Pledge of Shares: None of the promoters have pledged their shares as on December 31, 2013.



Top 10 Shareholders as on December 31, 2013:

Sr. No.	Name of the Shareholder	No. of Shares	% of Shareholding
1.	HT Global IT Solutions Holdings Limited	164,323,724	54.80
2.	Parel Investment Holdings Limited	27,288,327	9.10
3.	JP Morgan Chase Bank, NA (unregistered ADRs held by HT Global IT Solutions Holdings Ltd.)	21,111,400	7.04
4.	LSV Emerging Markets Equity Fund LP	4,357,600	1.45
5.	UTI-Opportunities Fund	3,088,002	1.03
6.	Stichting Pensioen fonds ABP	2,111,069	0.70
7.	Australiansuper	2,039,400	0.68
8.	SEB Investment Management AB A/C SEB Emerging	1,918,432	0.64
9.	SEB Investment Management AB A/C SEB Asienfond	1,582,700	0.53
10.	MV SCIF Mauritius	1,525,483	0.51
TOTAL		**229,346,137**	**76.48**

10.10 Dematerialization of Shares and liquidity:

Procedure for dematerialization/ rematerialization of shares:

Shareholders seeking demat/remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agents ("the

Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In respect of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL and CDSL to confirm the same. Approval of the Company is being sought and equivalent number of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

98.53% of the issued capital of your Company has been dematerialized up to December 31, 2013.

Go Green initiative:

In order to protect the environment and as a Go Green initiative, the Company has taken an initiative of sending documents like Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, dividend intimations etc. by e-mail. Physical copies are sent only to those shareholders whose e-mail addresses are not registered with the Company and for the bounced e-mail cases. Shareholders are requested to register their e-mail id with RTA/ Depositoryto enable the Company to send the documents in electronic form or inform the Company in case they wish to receive the above documents in paper mode.

10.11 Dividend payment date:

The Board has declared and paid the 1st interim dividend on May16, 2013 @ ₹1.20 per share (60%), 2nd Interim dividend on August 6, 2013 @ ₹ 1.40 per share (70%) and 3rd Interim Dividend on February 26, 2014 @ ₹.7.50 per share (375%) which may be confirmed by the shareholders at the ensuing Annual General Meeting. The Board has recommended final dividend @ ₹ 1.00 per share (50%) to the shareholders for their approval which, if approved, shall be paid on April 29, 2014.

10.12 Outstanding GDR/ Warrants and Convertible bonds, conversion date and likely impact on the equity:

1. Global Depository Receipts (GDR):

The outstanding GDR as on December 31, 2013 is 359,120.

The outstanding unregistered ADR as on December 31, 2013 is 21,111,400.

These GDRs and ADRs are represented by underlying shares in the ratio of (share:DR) 1:2 and 1:1 respectively, both do not have impact on equity.

2. Warrants/ Options:

1. 67,500 Options outstanding under ESOP Scheme 2002 entitles the holder to get allotted one Equity share of ₹ 2/- each in the Company at an exercise price as per the SEBI guidelines in force on the date of the grant or such price that was determined by the Remuneration and Compensation Committee ('Committee'). The options shall vest in four equal installments or as determined at the discretion of the Committee.
2. 2,735,525 Options outstanding under ESOP Scheme 2007 entitles the holder to get allotted one Equity share of ₹ 2/- each in the Company at an exercise price being the latest available closing price of the shares on the Stock Exchange, which recorded the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Board/ Remuneration Committee at which the Securities were granted or at such price as the Board/ Remuneration Committee may determine. The options shall vest in four equal installments or as determined at the discretion of the Committee.
3. 37,500 Options outstanding under ESOP Scheme 2008 entitles the holder to get allotted one Equity share of ₹ 2/- each in the Company at an exercise price being the latest available closing price of the shares on the Stock Exchange, which recorded the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Board/ Remuneration Committee at which the Securities were granted or at such price as the Board/ Remuneration Committee may determine. The options shall vest in four equal installments or as determined at the discretion of the Committee.

Assuming all the Options granted, under all the three ESOP Schemes of the Company, which would vest, be exercised and converted into Equity shares of the Company, the total number of Equity shares would increase by 2,840,525 of ₹ 2/- each.

10.13 Plant Locations (Hexaware Technologies Limited, India):

Registered Office & Offshore Development Center	152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai – 400 710. 1, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai – 400 710. 157, Millennium Business Park, Sector III, TTC Industrial Area, Mahape, Navi Mumbai – 400 710.	Navi Mumbai
Offshore Development Center	SIPCOT IT Park, Navalur Post, Siruseri – 603 103.	Chennai
Offshore Development Center	4th & 5th Floor, A Wing, Block 1.5, Rhine Building, Plot No. 3, Embassy Tech Zone, Rajiv Gandhi Infotech Park , Hinjewadi, Phase II, Pune - 411 057.	Pune
Offshore Development Center	Prestige Pegasus, No. 14 & 19, Next to Total Mall, Sarjapura Road, Bengaluru – 560 034.	Bengaluru

10.14 Transfer of unclaimed dividend to Investor Education and Protection Fund:

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date. A sum of ₹1,782,711/- has been transferred to the Investor Education and Protection Fund in the year 2013 towards unclaimed/unpaid dividend for the year 2005 and 2006.

Given below are the dates of declaration of dividend and corresponding last dates by which unclaimed dividends can be claimed.

Date of declaration of dividend	Dividend for the year	Last date for Claiming unpaid Dividend
April 24, 2007 (Final)	2006	May 30, 2014
July 18, 2007 (Interim)	2007	August 23, 2014
August 8, 2008 (Interim)	2008	September 13, 2015
May 5, 2009 (Final)	2008	June 10, 2016
July 29, 2009 (Interim)	2009	September 3, 2016
April 29, 2010 (Final)	2009	June 4, 2017
July 29, 2010 (Interim)	2010	September 3, 2017
January 11, 2011 (Special Interim)	2010	February 16, 2018
April 27, 2011 (Final)	2010	June 2, 2018
May 6, 2011 (Interim)	2011	June 11, 2018
July 27, 2011 (Interim)	2011	September 1, 2018
October 20, 2011 (Interim)	2011	November 25, 2018
April 27, 2012 (Final)	2011	June 3, 2019
April 27, 2012 (Q-1 Interim)	2012	June 3, 2019
July 31, 2012 (Q-2 Interim)	2012	September 6, 2019
November 1, 2012 (Q-3 Interim)	2012	December 08, 2019
April 29, 2013 (Q-1 Interim)	2013	June 4, 2020
April 30, 2013 (Final)	2012	June 5, 2020
July 19, 2013 (Q-2 Interim)	2013	August 24, 2020
February 7, 2014 (Q-4 Interim)	2013	March 15, 2021

10.15 Investor Correspondence:

Shareholders can contact the following officials for secretarial matters of the Company:

Name	E-Mail ID	Telephone Number	Fax No.
Mrs. Gunjan Methi, Company Secretary	investori@hexaware.com	+ 91 22 4159 9595	+91 22 4159 9578

Shareholders can contact the following Officials for financial matters:

Name	E-Mail ID	Telephone Number	Fax No.
Mr. Rajesh Kanani, Chief Financial Officer	investori@hexaware.com	+ 91 22 4159 9595	+91 22 4159 9578

Following is the address for correspondence with the Company:
Hexaware Technologies Limited
Building No. 152, Millennium Business Park, Sector III,
'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710.
E-mail: investori@hexaware.com

For and on behalf of the Board

Atul K. Nishar
(Chairman)

Place : Mumbai
Date : March 28, 2014

Details of the Directors seeking appointment/ re-appointment at the Annual General Meeting (in pursuance of Clause 49 (IV)(G) of the Listing Agreement)

At the ensuing Annual General Meeting, Mr. Bharat Shah Director of the Company retires by rotation and being eligible, offers himself for re-appointment. The brief resume, experience and functional expertise and the membership on various Boards and Committees of the Director proposed to be re-appointed at serial nos. 3 of the Notice convening 21st Annual General Meeting, as per the Corporate Governance code defined under Clause 49 of the Listing Agreement are furnished below:

Name of the director	Mr. Bharat Shah
Date of Birth	February 18, 1947
Age	67
Date of first Appointment	July 29, 2008
Experience in specific functional area	Experience in Custody & Depository, Retail, HR, Private Banking, Infrastructure and Merchant Services in Banking Sector
No. of Shares held in the Company as on December 31, 2013	20,000*
Qualification	Bachelors in Science (B. Sc.) degree from the University of Mumbai in Applied Chemistry with special reference to Metal Finishing from Borough Polytechnic, London.
List of Companies in which directorship held	HDFC Securities Limited, Hill Properties Ltd., IDFC Alternatives Limited, Computer Age Management Services Pvt. Ltd., ADFC Pvt. Ltd., Salisbury Investments Pvt. Ltd., Faering Capital Trustee Co. Pvt. Ltd.
Chairman/ Member of the Committee of the Board of Companies in which Director #	HDFC Securities Ltd. – Audit Committee - Member

* 50,000 Shares held by Mrs. Anita Bharat Shah, wife of Mr. Bharat Shah as on December 31, 2013.

\# The committees considered for the above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e audit committee, shareholders/ investors grievance committee.

For and on behalf of the Board

Atul K. Nishar
(Chairman)

Place : Mumbai

Date : March 28, 2014

Certifications

CEO AND CFO CERTIFICATION

We hereby certify that:-

(a) We have reviewed financial statements and the cash flow statement for the quarter and year ended December 31, 2013 and that to the best of our knowledge and belief:

(i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein; if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : February 7, 2014

Mr. P. R. Chandrasekar
Vice – Chairman & Global CEO

Mr. Rajesh Kanani
Chief Finance Officer

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE

To the members of Hexaware Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Hexaware Technologies Limited, for the year ended December 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm registration No. 117366 W / W-100018)

R. D. Kamat
Partner
Membership no. 36822

Mumbai, March 28, 2014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company at www.hexaware.com.

As Vice-Chairman and Global Chief Executive Officer of Hexaware Technologies Limited and as required by Clause 49 (I) (D) (ii) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company as identified by the Company considering the requirements in this respect under clause 49 (I)(D), of Corporate Governance, have affirmed compliance with the Code of Conduct for the financial year 2013.

P. R. Chandrasekar
Vice-Chairman and Global CEO

Mumbai, February 7, 2014

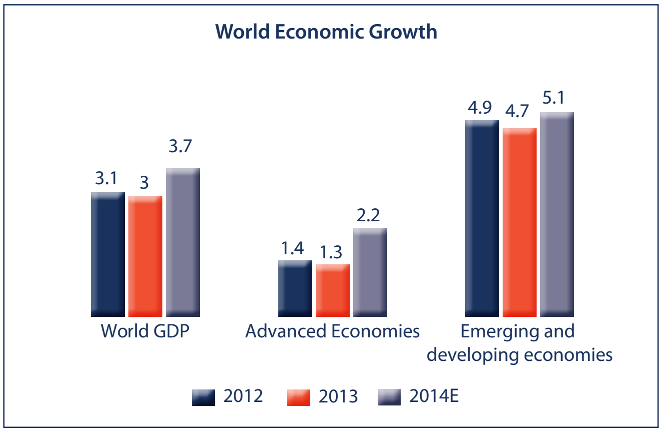
Management's Discussion and Analysis of Financial Condition and Results of Operations

I. ECONOMY

Global Economy

The global economy continued to witness yet another sluggish year during 2013. Despite global activity and world trade picking up in the second half of 2013, the global economy registered a growth of 3% compared to 3.1% in 2012 (Source: IMF). The growth of the advanced economies slowed down to 1.3% in 2013 compared to 1.4% in the previous year. Emerging economies which account for the bulk of global growth, also witnessed a decline in growth from 4.9% in 2012 to 4.7% in 2013.

World economic growth



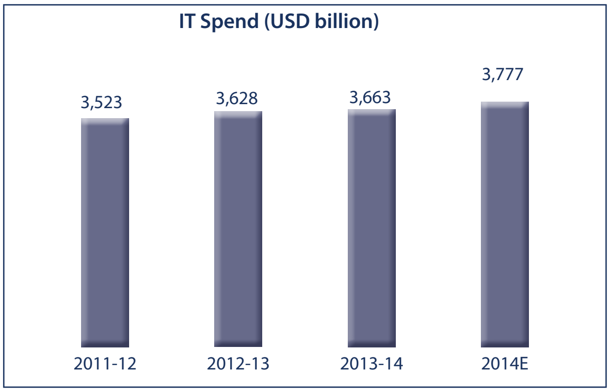
(Source: IMF)

II. IT INDUSTRY OVERVIEW

i. Global IT Industry

In today's dynamic world, where the rate of obsolesce is rising rapidly, it is becoming crucial for companies to invest in innovation and technology. As a result, investment in Information Technology is growing rapidly across the world. The global IT spend during 2013 increased by 0.4% to USD 3.66 trillion from USD 3.62 trillion in 2012 (Source: Gartner) while the global IT outsourcing has increased by 2.8% to USD 288 billion in 2013 from USD 280 billion in the previous year.

Worldwide IT Spending



(Source: Gartner)

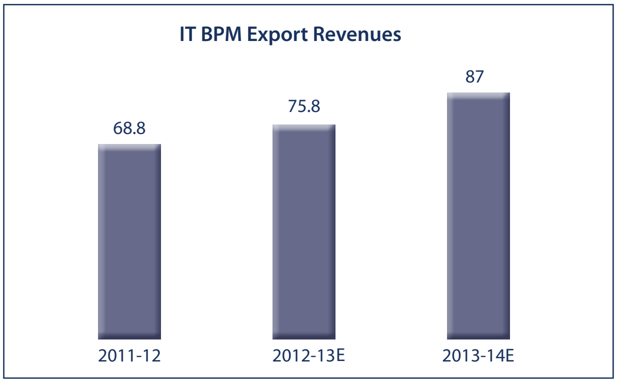
Going ahead, the worldwide IT spending in 2014 is expected to increase by 3.1% to USD 3.7 trillion compared to USD 3.6 trillion in 2013. This growth will be driven by increase in Enterprise software spending which is expected to increase to USD 320 billion in 2014 (Source: Gartner).

ii. Indian IT Industry

The Indian IT & ITeS industry has become the growth engine for the economy, contributing substantially to the GDP, urban employment and exports. The industry's share (including hardware) in the global market stands at 7%, of which 4% is contributed by the IT segment and 2-3% by the ITeS space.

Despite challenges in the global market during the year under review, the Indian IT-BPM industry sustained its growth trajectory and is expected to clock export revenues of USD 75.8 billion in 2012-13, representing a growth rate of 10.2% compared to USD 68.8 billion in 2011-12.

IT-BPM Export revenues (USD billion)



(Source: Nasscom)

Outlook

The increase in global IT spending and opportunities created through adoption of new technologies such as Social networks, Mobile applications, Analytics and the Cloud (SMAC) will propel the growth of the Indian IT-BPM industry in 2014. Export revenues from the industry is expected to increase by 12-14% to USD 87 billion and domestic revenues is expected to grow at a rate of 13-15% to reach ₹ 1200 billion *(Source: NASSCOM)*. Changing business models, emergence of new technologies, buyer segmentation and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging innovation hub.

III. BUSINESS OVERVIEW

Hexaware is a leading global provider of IT & BPM services and consulting. The Company focuses on key domains such as Banking & Financial Services, Insurance, Travel, Transportation, Logistics, Life Sciences and Healthcare. Hexaware focuses on delivering business results and leveraging technology solutions by specializing in Business Intelligence & Analytics, Enterprise Applications, Quality Assurance and Testing, Remote Infrastructure Management Services and Application Development & Maintenance.

Business performance

Despite the sluggish growth of the Indian and global economy and marginal growth in global IT spends, Hexaware has been able to maintain its growth momentum. The company grew by 6.4% to USD 387.8 million in dollar terms and by 17.3% to ₹ 2,285 crores in rupee terms. The EBITDA margin in Rupee terms increased by 170 bps to 22.4% in 2013 from 20.7% in 2012 and the net profit increased by 15.7% to ₹ 379 crore.

Further, the company achieved two new milestones during the fourth quarter. It crossed USD 100 million in quarterly revenue and ₹ 100 crores in quarterly Net Profit in the fourth quarter of CY 2013.

Key Developments, 2013

- **Signed Large Deal**

  During the first quarter of 2013, Hexaware signed up a large deal with an existing fortune 500 client, headquartered in United States, contributing to revenues in excess of USD 30 million. Hexaware has been associated with this multi-billion corporation for over seven years and this contract further increases its share of wallet with the client, while extending the association by another three years. This agreement strengthened Hexaware's position in a multi-vendor scenario and enhanced access to various business functions and across the spectrum of multiple service lines.

- **Enterprise Solutions – Peoplesoft 9.2**

  Leveraging the Centers of Excellence (CoE) set up to foster Innovation, Hexaware has developed in excess of 5,500 functional test scripts. These scripts were developed using Oracle PeopleSoft Test Framework (PTF) automation tool to provide the customer with a library of scripts. This initiative enabled customers to develop test scripts, identify change impacts using the power of automation and debug code. This vast library of scripts, an Intellectual Property asset of Hexaware, will directly benefit clients who are planning for either upgrading to PeopleSoft 9.2 or new implementations. Automating the testing process by leveraging Oracle's PTF will enable business users and functional testers to execute scripts with a greater accuracy in a shorter period of time, ensuring wider coverage of business functionality.

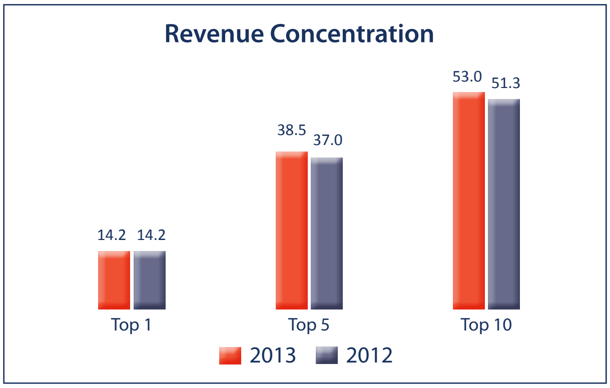
- **Client Additions**

  During the year, the company added 48 new clients across all its key focus areas. Of these, 9 clients were added in the Banking & Financial Services vertical, 5 in Global Travel & Transportation, 11 in Healthcare & Insurance and 23 in Emerging segments. From the horizontal perspective, 21 clients were added in the Enterprise solutions space, 6 in Quality Assurance & Testing Services, 3 in Application Development & Maintenance, 7 in Business Intelligence & Analytics, 8 in Business Process Management and 3 in Remote Infrastructure Management Services.

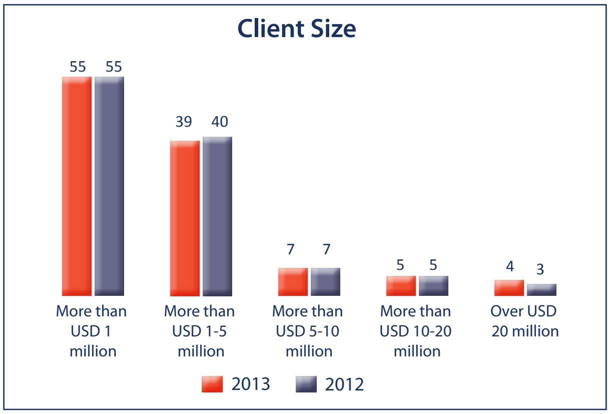
The total number of active clients increased to 233. Of this, 55 clients contributed more than USD 1 million each in revenue. Of these, 39 clients contributed between USD 1 million to USD 5 million each, 7 clients contributed between USD 5 million to USD 10 million each, 5 clients contributed between USD 10 million to USD 20 million each and 4 clients contributed over USD 20 million.

The average size of top 10 clients expanded from approximately USD 11 million in CY 2010 to around USD 20 million in CY 2013. This growth can be attributed to Hexaware's greater emphasis on Account Management Practices with significant investments in our top client relationships.

Revenue Concentration



Client Size



- **Quality certification**

  Hexaware is now certified for ISO 20000. ISO 20000 is an IT Service Management (ITSM) Standard which incorporates best practices from Information Technology Infrastructure Library (ITIL). Hexaware continues to maintain its SEI CMMI Level 5 status on the Development Model. In addition to this certification the Company has been assessed at Level 5 of CMMI Multi Model

Version 1.3 for Development and Services. In the recent past less than 10 companies around the world have been appraised at Level 5 using the Multi-model approach.

- **Infrastructure**

  During the first quarter of 2013, Hexaware inaugurated its third Global Delivery Center (GDC) in Saltillo, Mexico. The opening of the new development center is in response to the growth that the Company is experiencing in the Latin American IT market and this will help to further strengthen Hexaware's presence and add value to more customers from this region. In addition, this center also addresses the needs of its U.S.-based customers from the same time-zone location. Having been operational for 10 years now, our delivery centers in Saltillo, Mexico provide software development, application maintenance, quality assurance and testing services and remote infrastructure management capabilities with state-of-the-art infrastructure to execute large projects and manage key clients.

  During the second quarter, the company inaugurated it new Global Delivery Centre (GDC) at Frisco, near Dallas in the state of Texas, USA. The new onshore delivery center is situated in a prime location and in close proximity to several key clients and enables the Company to undertake critical IT projects, thereby adding value to existing and new customers.

- **Investment in technologies**

  Over the last few quarters, Hexaware has built significant competency in Social, Mobility, Analytics and Cloud (SMAC) technologies. Hexaware has built proprietary accelerators which enable quicker adoption of these technologies by enabling organizations to virtualize their IT infrastructure and use real time unstructured data from Social networks, to integrate with organizational data and provide real time analytics through Mobile devices.

- **Quality Assurance & Testing Services**

  Hexaware has developed the following tools and solutions under its Quality Assurance & Testing Services domain:

  o a tool which can be used for automated testing of reports on data migration and BI testing projects

  o a new performance testing solution on the cloud using JMeter and Amazon Web Services (AWS)

  o built significant expertise over HP ALM (Application Lifecycle Management) toolkit which allows customers to integrate source code and build application management tools

  o a proprietary Accelerator for testing on Health Information Exchange, which is widely used in the US Healthcare Industry

IV. OPPORTUNITIES

Large Deals

With the global economy recovering from the slowdown and developed economies registering economic growth, IT spending by corporates is increasing gradually. In order to focus on the core areas of business and strategy, global corporates are outsourcing their IT processes and requirements. At Hexaware, we are capitalizing on this emerging global trend. Over the years, we have been acknowledged as a differentiated IT services provider due to our ability to successfully win and execute high value and complex engagements from the existing clients. During 2013, we signed a large deal with one of our existing fortune 500 client, providing us annual revenue worth more than USD 30 million. We have clearly established ourselves as a major player in most of our focus areas and are confident of retaining our position as the preferred IT consulting partner for organizations globally.

Client orientation

Hexaware has a significant portion of its overall revenue coming from clients where the relationship extends to several years. If one were to look at our top 10 clients, the average tenure of the relationships with these clients is greater than five years.. Once we establish a relationship with a client, we expand to get a substantial share of the customer's wallet. Not surprisingly almost 95.5% of our revenues are contributed by our existing clients. To complement our hunting teams, we have experienced hunters with deep domain expertise, strong networks and a deep understanding of the market . We have a strong account mining team that works closely with our account management team to identify a client's problem areas, process bottlenecks and other issues where we can help achieve operational efficiencies. With many new large accounts coming for rebidding, we are optimistic about growth opportunities in the coming year.

Innovative Delivery model

We believe that in our business, client satisfaction is of primary importance and have taken a number of initiatives to ensure better client service and ensure customer delight. All of our verticals and accounts have been empowered to take independent decisions to facilitate quick decision making. Each of our accounts has a dedicated account manager who has complete accountability and responsibility for that account. Further, the strong business understanding of our client facing team enables them to get quicker and deeper insights into client requirements. Our team has always been nimble footed and willing to go the extra mile to support our clients and ensure their success.

New initiatives for sustained growth

Hexaware's leadership team works closely with client organizations to anticipate changes in the client's business and respond with strategies that enable them to capitalize on them. For example, during the year we partnered with Experitest to further enhance our mobile automation delivery capabilities to meet our client's needs. We provided our customers with SeeTest, a robust solution for end-to-end mobile application test automation. With SeeTest, we will be able to steer a client's mobile test automation requirements in the right direction with consultants who are available to translate a client's needs into an effective application test solution through in-house frameworks.

With this partnership, we are well equipped to keep up with the dynamics of technology in mobile test automation, and extend our model to include additional mobility test imperatives like device-level performance testing as a by-product of test automation.

In addition to this, we partnered with Oracle to launch Oracle's PeopleSoft Test Framework services, which will allow users to install, configure, implement and maintain PTF automation. Our PTF services allow customers to execute more tests with greater accuracy in a shorter time frame, and enable significantly reduced operational costs. With this offering, we are not only saving money for our clients by helping to eliminate unnecessary and redundant processes, but also enabling an enhanced time-to-market solution with Return on Investment (ROI) within just two test cycles.

V. STRENGTHS

At Hexaware, we are driven by the passion to provide holistic solutions to our client's needs. As a result, we have developed expertise in helping customers at all stages of their programs, whether they are small, mid-sized or large global enterprises. We have developed specialization in creating a tailored road map with complete end-to-end solutions, combining both technology and business understanding. Companies across all industry verticals have trusted us to be there throughout their application lifecycle which includes advisory, roll out & implementation, development & testing, maintenance & support and Business Process Management.

Leaders in niche sectors

Over the years, we have developed and demonstrated leadership and expertise in our focus areas. Our enterprise solution offerings combined with best of class enterprise integration skills are our key differentiators. The following are some of the niche sectors where we are the market leaders:

- Among the leading IT solution providers for the Airline industry
- Fast emerging among the top Indian IT services provider in Germany
- One of the global market leader in PeopleSoft services
- Developed innovative solutions in Capital Markets especially Asset Management

Strong domain knowledge

One of our biggest competitive advantages is our deep insight and strong domain knowledge in the niche areas that we have been focusing. In order to continue our leadership position and continue moving up in the value chain we have been reinvesting in building our technical capabilities. We have created product Centre of Excellences that houses well defined framework, checklists and accelerators. Our employees have been dedicatedly working in these Centre of Excellences by leveraging modern tools and processes for developing solutions of tomorrow which will boost productivity and reduce project development time.

Strong talent pool

We believe that our employees are the leaders of tomorrow and we have been investing in them. We make our employees undergo several skill enhancement workshops and programs in order to hone their skills. Our training structure ensures appropriate mix of domain and technical certification, soft skills training and cross cultural sensitization programs. Further, in order to ensure that our onsite employees don't miss on their continuous skill enhancement, we have set up the eLearning platform HexaGuru+ which benefits onshore associates working at client locations to continuously learn and upgrade their skills and enhance service delivery.

Flexible

As a mid-size vendor, we provide a great deal of flexibility in both the contractual and delivery models. This includes using innovative pricing and payment models that meet the unique expectations of our clients, optimizing our SEI CMMI Level 5 processes to meet specific customer requirements. Our adaptable working relationships stretch from fixed time/ fixed fee/ time and material to the Shared Services model.

Committed top management

The management team at Hexaware takes personal interest in developing every client relationship to ensure that the customer comes first. Our relationship and account managers ensure single point of contact and our well-defined escalation and risk management and mitigation procedures ensures high client satisfaction as visible through high contribution of the repeat business to the extent of 95.5% to the overall revenues.

Responsiveness

We are committed to making investments in account management and in building long-term, trusted relationships. One of the advantages we bring from Hexaware is flexibility in terms of business model, engagement model and relationship model to ensure our clients derive greatest the benefit from this relationship.

Effective delivery models

We have invested in building significant onsite delivery and consulting capability by locating our business practice leaders, account managers and top management team. This structure enables quicker decision-making and ease of access to customers.

We have an enviable track record in building, operating and delivering solutions from very large offshore development centers (ODC). We offer a proven business model for customers looking to exploit delivery capabilities across the globe. Our models provide a framework for outsourcing large application and product management services and provide customers with economies of scope and scale.

Program Risk Management

We continue to monitor critical projects based on a criticality index derived from few identified parameters. A Steering Committee of senior executives in the Company hold regular meetings and continuously monitor the progress of such projects. We have established processes to identify and mitigate any risk during the transition process as well as when the relationship is stable. We will invoke such processes to ensure the overall risk or delays, which can hinder the success of the ODC, are minimized.

VI. FINANCIAL STATEMENT ANALYSIS- CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet Movements

a) Share Capital

The paid-up Share Capital of the Company as at December 31, 2013 was ₹ 599.75 million comprising of 299,875,947 Equity Shares of ₹ 2/- each.

During the year 3,331,156 shares were allotted under ESOP plans.

b) Reserves and Surplus

The Company's global reserves (excluding hedging reserve account) increased by 3.49% to ₹ 12,631.27 million as at December 31, 2013 from ₹ 12,205.61 million as at December 31, 2012 on account of the profit generated during the year and currency translation reserve apart from share premium received on issue of shares under ESOP.

Since the Company adopted the principles set out in the Accounting Standard AS 30 "Financial Instruments: Recognition and Measurement", it has created hedging reserve, which amounted to loss of ₹ 1,239.41 million (Previous year of ₹ 760.51 million) for hedged transactions.

c) Deferred Tax Liability and Assets

The Company accounts for deferred tax in compliance with the Accounting Standard. The Company recognized ₹ 275.54 million as deferred tax liability as at December 31, 2013 (₹ 130.47 million as at December 31, 2012) and deferred tax asset of ₹ 227.32 million as at December 31, 2013 (₹ 203.61 million as at December 31, 2012). The Company records net positions as assets and liabilities based on tax jurisdictions considering rights to offset. Note no. 6 of financial statements provides component wise breakup of assets and liabilities.

d) Trade payables

Trade payables reduced to ₹ 493.99 million as on December 31, 2013 against ₹ 532.57 million as on December 31, 2012. This represents payables for the goods and services.

e) Other long term and short term liabilities

- **Long term liabilities**

  Other long term liabilities decreased to ₹ 9.17 million as on December 31, 2013 as against ₹ 77.57 million as on December 31, 2012, a decrease of ₹ 68.40 million, on account of decrease in liability for derivative contracts by ₹ 52.08 million and reduction in capital creditors by ₹ 16.32 million.

- **Other current liabilities- short term**

	2013	2012
Unearned Revenues	143.95	125.47
Unclaimed dividend	54.82	45.63
Employee related liability	676.83	589.57
Statutory liabilities	256.07	254.45
Deposit received from Customer/Lessee	0.35	28.72
Capital Creditors	113.51	121.86
Liability for mark to market losses on forward contracts (net)	43.80	160.76
For Expenses	470.96	428.85
Total	**1,760.29**	**1,755.31**

Increase is largely on account of

- Increase in unearned revenue ₹ 18.48 million, represents advance billing to customer not recognized as revenue.
- unclaimed dividend ₹ 9.19 million,
- employee related payables ₹ 87.26 million includes salary, bonus, incentive payable and other related provisions and
- payable for other expenses ₹ 42.11 million mainly includes for operational expenses.

The said increases were offset by decrease in liability mainly on account of:

- For derivative contracts by ₹ 116.96 million, represents fair value of foreign exchange forward contracts,
- Payable capital creditors by ₹ 8.35 million and
- Deposits received from customers/lessee ₹ 28.37 million.

f) Provisions - Long term and short term

- **Long term Provision**

  As at December 31, 2013, long term provisions relating to employee benefits decreased by ₹ 60.83 million to ₹ 204.85 from ₹ 265.68 million as on December 31, 2012 due to contribution in gratuity fund and actuarial gains, resulting in reduction in liability net of gratuity fund.

- **Short term provision**

	2013	2012
SHORT TERM PROVISION		
Provision for employee benefits	401.52	328.21
Proposed dividend	2,552.27	355.85
Tax on proposed dividend	433.76	57.73
Provision for taxation (net of advance tax)	36.32	45.42
Others	151.55	197.31
Total	**3,575.42**	**984.52**

Short term provisions for employee benefits as at December 31, 2013 increased to ₹ 401.52 million from ₹ 328.21 million as on December 31, 2012, an increase of ₹ 73.31 million. Provision for employee benefits comprises of provision for gratuity and compensated absences.

In other short term provisions, proposed dividend and tax there on increased to ₹ 2,986.03 million as at December 31, 2013 from ₹ 413.58 million as at December 31, 2012, increase of ₹ 2,572.45 million on account of interim dividend of 375% for Q4-2013 and final dividend of 50%. The interim dividend for Q4-2013 has been paid in February 2014. The provision for taxation decreased by ₹ 9.10 million and other provisions decreased by ₹ 45.76 million.

g) **Fixed Assets**

During the year, the additions to fixed assets were at ₹ 918.73 million. The primary reasons for addition to fixed assets are

- o making new unit operational and creation of library, cafeteria etc at SEZ Campus at Siruseri in Chennai during the year amounting to ₹ 725.5 million,
- o Computer and other asset at new centre Dallas and Mexico centre ₹ 53 million and
- o the balance for computers and other capital assets for current operations.

As at December 31, 2013 capital work-in-progress (CWIP) has reduced to ₹ 220.42 million from ₹ 756.76 million on December 31, 2012 mainly on account capitalization of new unit at the SEZ Campus at Siruseri in Chennai.

The Company has made contractual commitment to vendors who are executing various infrastructure projects. The estimated amount of such contracts remaining to be executed on capital account and not provided for (net of advances) was ₹ 223.77 million as on December 31, 2013 (₹ 160.42 million as on December 31, 2012).

h) **Investments**

As at December 31, 2013, the Company's investments in mutual funds increased to ₹ 3,378.06 compared to ₹ 2,349.83 as on December 31, 2012.

i) **Trade Receivables**

As at December 31, 2013, trade receivables have decreased to ₹ 3,235.78 million as against ₹ 3,649.08 million as on December 31, 2012. As at the year ended December 31, 2013, the Company has provisioning of ₹ 68.71 million for the doubtful debtors as against ₹ 59.72 million on December 31, 2012. The Days' Sales Outstanding (DSO) of the Company significantly decreased to 48 days as on December 31, 2013 compared to 66 days as on December 31, 2012. This compares favourably with most other companies in the IT industry.

j) **Cash and Cash Equivalents**

Cash, balances with banks and balance in deposits with financial institution including restricted bank balances aggregates to ₹ 3,185.96 million as on December 31, 2013 (₹ 2,122.37 million as on December 31, 2012). These balances have increased due to increased collection from debtors. Cash and cash equivalent including MF investment was ₹ 6,564.02 million as on December 31, 2013 (₹ 4,472.20 million as on December 31, 2012).

k) **Long term and short term loans and advances**

- Long term loans and advances

	2013	2012
Capital Advances	11.26	13.01
Security Deposits	83.04	64.71
Advance Income Tax (net of provision for tax)	219.80	279.32
MAT Credit Entitlement	913.85	690.11
Other Loans and advances	62.76	41.62
Total	**1,290.71**	**1,088.77**

There is increase of ₹ 201.94 million largely comprising of increase in MAT credit entitlement of ₹ 223.74 offset by decrease in advance income-tax of ₹ 59.52.

- **Short term loans and advances**

	2013	2012
Security Deposits	27.08	86.64
Advance Income Tax (net of provision for tax)	50.56	28.84
Other Loans and advances (includes service tax receivable, prepaid expenses and employee advances)	405.79	393.20
Total	**483.43**	**508.68**

There is decrease of ₹ 25.25 million comprising decrease in security deposit mainly for various premises by ₹ 59.56 million offset by increase in Advance Tax and Other Loan & Advances by ₹ 34.31 million

l) **Other long term and short term assets**

Other long term assets increased to ₹ 176.71 million as on December 31, 2013 from ₹ 170.01 million on December 31, 2012 mainly on increase of bank balances in unclaimed dividend accounts and other restricted bank balances by ₹ 22.08 which was offset by reduction in unbilled services and interest accrued on deposits by ₹ 15.38 million

Other short term assets consist of Interest accrued on deposits and unbilled services. Interest accrued on deposits is increased by ₹ 49.36 million on outstanding balances invested in deposits. Unbilled services increased by ₹ 442.77 million to ₹ 1,027.81 million as on December 31, 2013 compared to ₹ 585.04 million on December 31, 2012. In aggregate long term and short term unbilled services have increased by ₹ 434.49 million.

Results of Global Operation (P&L)

a. **Income from Operations**

During the year, the revenue from operations grew by 17.31% to ₹ 22,853.48 million from ₹ 19,481.78 million in 2012 with marginal improvement in offshore ratio. Revenue equivalent in US Dollar term was 387.8 million

Revenues from operations are basically segregated into onsite revenues and offshore revenues. The table below indicates the revenue split:

(in percentage)

Revenue by location	Yr-2013	Yr-2012
Onsite	53.0	53.7
Offshore	47.0	46.3

The blended utilization was at 72% during 2013 as against 67.4% in 2012.

b. Other Income

During the year, global other income was reported at ₹ 372.74 million as compared to ₹ 438.28 million in the previous year, decrease of ₹ 65.54 million. This decrease was mainly due to reduction of rental income by ₹ 68.41 million.

Interest and dividend income together have remained largely unchanged to ₹ 344.09 million in 2013 as against ₹ 344.4 million in 2012.

c. Expenses

Software Development Expenses

During the year, the Company's Software Development expenses increased to ₹ 3,478.98 million compared to ₹ 2,999.99 million in 2012, an increase of 15.97%. The increase was attributed largely on account of increase in outsourcing and subcontracting charges and marginal increase in onsite travel and related expenses, in line with revenue growth.

Employment Expenses

The Company's Employment expenses increased to ₹ 12,218.78 million in 2013 from ₹ 10,605.64 million in 2012, an increase of 15.21%. As a percentage of income from operations, employment expenses reduced to 53.47% for the year 2013 from 54.44% for the year 2012. Increase in cost is mainly on account of salary increments comparable with most IT companies. The total employee count was 8,854 nos. as on December 31, 2013 from 9,069 nos. at the beginning of the year, a net decrease of 215 employees.

Administration and other Expenses

The Company's Administration expenses increased to ₹ 2,033.42 million in 2013 from ₹ 1,835.78 million in 2012, an increase of 10.77%. As a percentage of income from operations, administrative and other expenses decreased to 8.90% for the year 2013 from 9.42% in the year 2012. This benefit is largely derived from economies of scale due to higher growth rates in business volumes.

Operating margin

Global Operating profit (earnings before interest, tax, foreign exchange gain/ loss and other income) stood at ₹ 4736.26 million in 2013 as against ₹ 3716.23 million in the year 2012, an increase of 27.45%.

Depreciation

During the year, depreciation has increased to ₹ 386.04 million from ₹ 324.14 million in the year 2012 largely due to addition in office space at Siruseri in Chennai.

Profit before Tax

The Profit before Tax in the current year was ₹ 4,794.97 million, substantially higher than ₹ 4,039.57 million in the previous year, an increase of 18.70%.

Provision for Taxation

During the year, the provision for taxation is at ₹ 1,003.62 million compared to ₹ 763.10 million in the previous year. Increase in tax expense is mainly on account of increase in due to one of the SEZ unit tax exemption came down to 50% from 100%

Profit after Tax

The net profit for the year 2013 is at ₹ 3,791.35 million as against ₹ 3,276.47 million for the year 2012 maintaining PAT margins at around 16.5%.

Dividend

During the year 2013, the Company paid interim dividends on equity shares, Q1 – ₹ 1.20 (60%), Q2 – ₹ 1.40 (70%), Q4 - ₹ 7.50 (375%).

The Board of Directors has recommended a payment of final dividend of ₹ 1.00 per share (50%) on an equity share of ₹ 2/- each, at its meeting held on February 7, 2014, due for approval at the AGM. Including this, the total dividend for the year inclusive of interim dividends would amount to ₹ 11.10 per share (555%) on equity shares.

The total dividend declared during the year and tax thereon amounts to ₹ 3,894.68 million. The break-up of dividend is as under:

(₹ in million)

	Q1	Q2	Q4	Final	Total
Dividend	358.35	418.30	2,252.00	300.27	3,328.92
Tax	60.90	71.09	382.73	51.03	565.75
Total	**419.26**	**489.39**	**2,634.73**	**351.30**	**3,894.68**

VII. RISK MANAGEMENT

In the ever changing dynamic world where everything changes rapidly, businesses, in order to stay ahead, need to make certain projections for future growth. Usually the projections materially differ from the time projections are made and the time when decisions are taken. It is more evident in fast evolving space like IT, which is driven by people and where every output is unique and obsolescence is much faster. Hence, it becomes essential to identify the broad risk categories and provide mitigation measures to manage risks. At Hexaware, we have identified the risks under verticals like revenue concentration risks, financial risks and operational risks. We have formulated policies, procedures and strategies for managing risks which is affirmed by our global CEO and Chief Financial Officer, after consultation with all business units, functions and department heads.

1. REVENUE CONCENTRATION RISKS

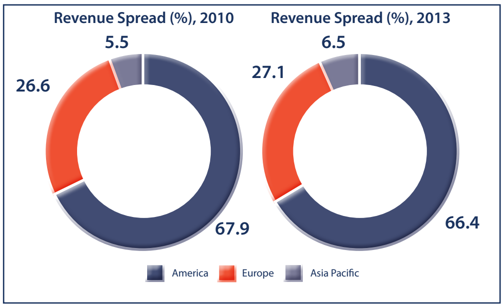
i. Geographical Concentration risk

Risk

America continues to be our largest contributor of revenue with nearly two-thirds of our total revenues coming from the United States. A high dependence on any specific geography can impact our growth plan in the event of a sudden slowdown, change in trade policies, local laws, political environment and work culture. Apart from these, other factors like exchange rate and profitability of American companies might also impact our earning potential.

Mitigation

- Over the last couple of years, we have expanded our global footprints aggressively to diversify our geographic concentration. We have our presence in 23 countries globally and 35 locations.
- We have increased the share of our revenues from Europe and Asia Pacific from 26.6% and 5.5% in 2010 to 27.1% and 6.5% in 2013
- **Revenue spread (in %)**



Strategy

- Our exposure to the US regions is in line with the global industry practices and we will continue to invest in the region. The optimism comes from the fact that US contributes to a little more than a fifth to the global GDP. There are a number of other growth factors such as favor for capitalism, highest per capita income, innovation driven culture and focus to retain high end work that allow us to identify and address the pockets of inefficiencies in the most optimum way.
- Within Europe, we have a strong presence in Germany and we continue to invest and grow in this region.
- In Asia Pacific, we are focusing on Australia and India to grow our business.

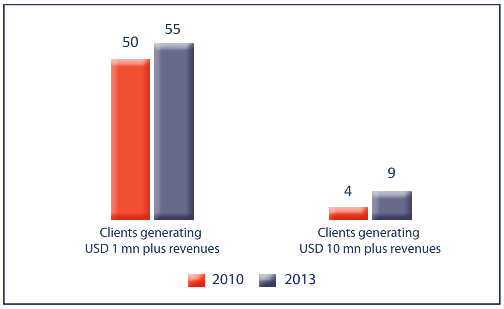
ii. Client concentration risk

Risk

Around 50% of our revenue comes from the top 10 clients. Any loss or major downsizing by these clients may impact our profitability. Further, excessive exposure to particular clients will limit our negotiating capacity and expose us to higher credit risk.

Mitigation

- In the last five years, we have increased our client base from 157 clients in 2009 to 233 clients in 2013. During the year under review, we added 48 new clients. We maintain a diversified high quality client roster that can be accessed through the depth of relationships with existing clients as well as the fortune 500 list
- The number of clients contributing revenues of USD 1 million or more has increased to 55 clients in 2013 as compared to 50 clients in 2010
- **Client spread (in nos.)**



Strategy

- Our 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 more cost predictability.
- We will strengthen management bandwidth in both sales & marketing and service delivery in order to increase revenue from the top 50 clients

iii. Verticals concentration risk

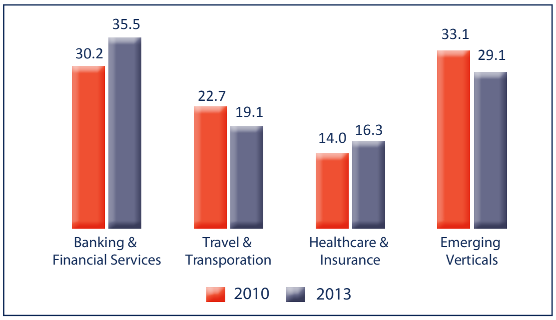
Risk

Around 50% of our revenue comes from two verticals – Banking & Financial Services and Travel & Transportation. Excessive dependence on selected verticals may adversely affect profitability in case of downturn in the fortunes of clients in this group or a reduction in their IT spending/budgets.

Mitigation

- In order to mitigate the risk, we provide solutions to a wide range of verticals spanning across Banking & Financial Services, Travel & Transportation, Healthcare & Insurance and Emerging Verticals. Over the years, revenue from two verticals - Healthcare & Insurance and Banking & Financial Services has increased.
- During 2013 we added 48 new clients spread across the key verticals. 9 clients were added in the Banking & Financial Services, 5 in the Global Travel & Transportation, 11 in the Healthcare & Insurance and 23 in the Emerging Verticals.
- While adding depth in our verticals and breadth to our service offerings, we are also branching out new verticals. During the year under review we have added a new vertical i.e manufacturing.

Vertical split (% of total revenue)



Strategy

- We will continue to identify focused verticals and strengthen its positioning in these by building capabilities around each sub-industry practice.
- We will be acquiring new talent, providing training, retaining right talent, assigning new dedicated teams for execution of projects, creating centers of excellence for innovation for each sub-industry.

iv. Horizontal concentration risk

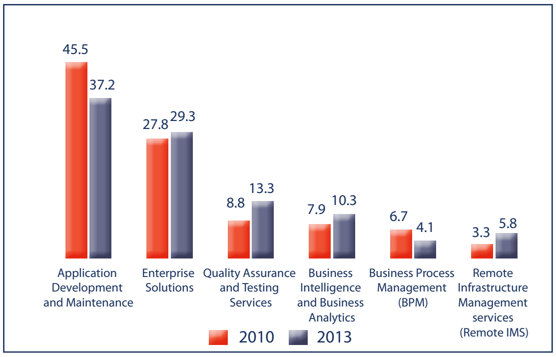
Risk

The overall composition of our revenue from our horizontals is skewed as around 60% of the revenue is derived from just two horizontals - Application Development & Maintenance and Enterprise Solutions. Any significant change in technology may impact the growth of these two horizontals which will ultimately affect our revenues.

Mitigation

- We are forging alliances with global product leaders, participating in global forums, working closely with global best organizations and consistently making high investment in our innovation centers
- We are continuously launching and investing in additional service offerings in line with the market demands and aspirations
- We are investing continuously in emerging and disruptive technologies like Social Media, Mobility, Analytics, Cloud and Big Data. Over the years, our contribution in the Business Intelligence & Analytics horizontal has increased from 7.9% in 2010 to 10.3% in 2013
- In an attempt to fill an important void in our service offerings, we had earlier launched Remote Infrastructure Management Services (Remote IMS). In a short span of 3 years, the horizontal service line has grown to a healthy headcount and contributed to 5.8% of overall revenue in 2013 compared to 3.3% in 2010.

Horizontal split (% of total revenue)



Strategy

- We will consistently keep a tab of changing technology pattern and demand dynamics. This will enable us to have a competitive advantage, stay ahead of the curve, be more efficient and provide a better user experience.
- We will continue to anticipate, invest, learn and develop new services and enhance existing offerings to meet the changing demand dynamics of our clients

2. FINANCIAL RISKS

i Foreign Currency fluctuations

Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The offshore part of the Revenue remains exposed to the risk of Rupee appreciation vs. the US Dollar, the Euro and other foreign currencies, as the costs incurred are in Indian Rupees and the Revenue/ Inflows are in foreign currencies. The contracts we enter into with our customers tend to run across several years and most of these contracts are at fixed rates, any appreciation in the Indian rupee vis-à-vis foreign currencies will affect our margins.

Mitigation

Foreign Exchange markets continue to be volatile and have demonstrated stark movements on both sides in the last few years. The Foreign Exchange Risk Management Policy authorized by the Forex Committee of the Board takes these realities 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 depend 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.

As at December 31, 2013, the Company had hedges worth $ 174.76 Million at an effective average exchange rate of 58.04 and hedges worth € 9.33 Million at an effective average exchange rate of 76.17 maturing over the course of the next seven quarters (from January 2014 till July 2015).

ii. Liquidity risk

Risk

We need a continuous access to funds to meet our short and long term strategic investments. Our inability to meet such requirements in stipulated period may hamper our growth plan and even ongoing operations. Further, our inability to quickly convert our assets into cash without incurring any appreciable loss will expose us to liquidity risks.

Mitigation

- Over the years, we have increased our liquidity position by maintaining a high cash & bank balance and investments. As on December 31, 2013, we had a total cash & bank balance and investments of ₹ 6,564 million, which constitutes 36% of our total assets.
- We are a zero debt company.

iii. Credit risk

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.

Mitigation

- We have adopted an effective receivable management system to control the Days' Sales Outstanding (DSO).
- We have brought our DSO (including unbilled) to 63 days as on December 31, 2013 as compared to 77 days in the previous year, placing us favorably when compared with other companies in the IT industry.

Strategy

- Our continuous pursuit to add more large and diverse clients will help us in reducing the concentrations of credit risk.

3. OPERATIONAL RISKS

i. Attrition risk

Risk

Being a service company, our success depends upon our highly skilled technology professionals and our ability to attract, hire, train, motivate and retain them. Our inability to retain high-performing and high-potential employees and leaders can jeopardize our client commitments and our growth plans.

Mitigation

- We are consistently developing and retooling our employee friendly policies to attract and retain the best talent.
- We have created well defined career growth path, strengthened our internal HR processes, created forums to address employee issues, developed a culture of reward and recognition, provided an easy access to leadership team all of which help us to attract and retain the right talent.

Strategy

- We will continue to create and maintain a pool of world class resources by recruiting best talents form leading colleges and from within the industry.
- We will invest in imparting effective & efficient training, blend talent into productive resources by creating challenging opportunities on projects and groom them in order to assume bigger responsibilities.
- We will take measures to check attrition rate and will try to bring it down in subsequent years.

ii. Competition risk

Risk

With the easier availability of funding and easing of norms for starting up a business, many new companies are foraying into the technology space, as these have high margins. This is leading to increase in competition. This in turn might affect our cost advantages, which could reduce our share of business from clients and decrease our revenues.

Mitigation

- With our focused approach, deep domain knowledge and technology prowess, we have created very strong differentiators in terms of quality and our product & service offerings.

Strategy

- We will consistently invest in upgrading our processes and retooling our skill set in order to provide better and differentiated service offerings to our clients and stay ahead of competition.

iii. Legal and Contractual compliance risk

Risk

Any disclosure of confidential information, system failures, errors or unsatisfactory performance of services might cause damage to our customers' business & operations and make us liable to them.

Mitigation

- We have a cross functional contract review team who analyses the contracts/agreements that we enter into with our clients.
- Further, the risk pertaining to that particular agreement/contract is approved by the Senior Management after thorough analysis.
- On case to case basis, the operational teams spread across the globe are made aware of the compliance related issues to adhere to all contractual commitments.

Strategy

- We will continue to compile with the local laws of respective countries while providing services to clients across the globe.

iv. Disaster risk

Risk

Natural disasters are beyond human control and may hamper our ability to provide our services as per the SLAs. In the event of force majeure, the work may get hampered or the potential loss of information from the computers is a risk and may affect the client.

Mitigation

- We have well defined Business Continuity Plan (BCP) and have achieved milestones in Information Security with successful completion of the certification audit and recommendation for certification against ISO 27001 standards for Chennai, Mumbai, Pune and Mexico development centers by TUV SUD South Asia and for US development center by UL Management Systems Solutions India Private Limited

Strategy

- We will continue adhering to these quality standards to ensure business continuity and mitigate the damage by preventing and minimizing the impact of security incidence.

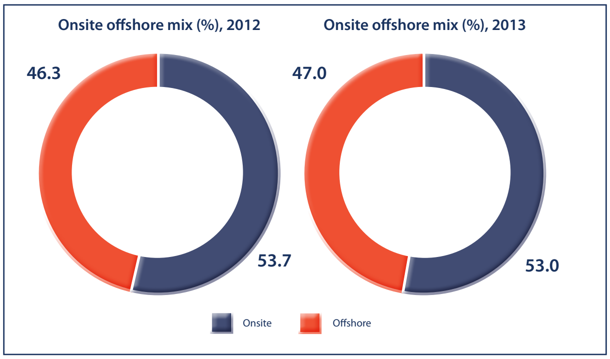
VIII. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

In the IT industry sector where delighting customers is a primary motive, the human capital of an organisation plays the most crucial role in achieving customer satisfaction, apart from technology and innovation. At Hexaware, we emphasize on recruiting, nurturing, and retaining the best skills in the industry and align the needs of the company with the aspirations of our employees.

With this, the global headcount at the end of 2013 increased to 8,854 employees and associates representing various nationalities deployed across 23 countries. Of the total work force, Technical personnel consist of 91.7%. The net addition of employees was in line with the strategy of optimally fulfilling business demands, delivering consistently high utilization rates and keeping manpower costs within the desired range. The attrition for 2013 remained at 12.7%, which is lower than the global industry standards.

Our workforce is drawn from many nationalities, spanning over multiple countries globally. Our choice of office locations merely reflects a desire to harness talent irrespective of languages, social-economic-cultural background, both in India as well as abroad. During the year, we opened up our Global Delivery Centers in Dallas and 3rd center in Mexico with focus on local hires. At the end of 2013, there was a capacity of around 340 seats in the two GDCs.

Onsite offshore mix (%)



Employee break up

IT Services %	2013	2012
Billable Personnel		
Onsite	18.6	17.1
Offsite	73.1	75.2
Total	91.7	92.3
Marketing (incl sales support)	2.1	1.9
Others (incl Tech support)	6.2	5.8
Grand Total	100	100

HR service Excellence

1. Employee Competence	Alignment with corporate strategy	Plan for growth, diversity-integrated workforce across the globe, talent building through Hexavarsity
2. Employee Commitment	Employer of choice	Talent acquisition, High retention, partnership with universities
3. Employee experience	Crafting HR Practices	People, performance, information and work practices
4. Employee motivation	Building performance culture	Profit sharing, 360 degree appraisal, fast trackers
5. Employee engagement	HR structure, systems and processes	3 layered structure – corporate, BU HR and SSC supported by HR processes and scalable systems

Key HR Initiatives, 2013

Your company has taken initiative to improve the human resources effectiveness through automation of HR systems and processes, improving employee engagement with several traditional activities.

HR team has made attempt to improve the morale and confidence of the employees by conducting various employee engagement activities at different level such as

At higher level and middle level

Exit interviews, flight risk management program, fast trackers' program, employee grievance management and counseling, job rotation and career management program and helping employees achieve work life balance.

At entry level

Employee connect programs, KYO, Business etiquettes training, mentoring and buddy system

HR initiative "Hexacare" that aims to reach out to the employees through creating awareness about their health, safety, wellbeing thereby playing a role in the holistic development and welfare of the employee. Medical check-ups, health, wellness and spiritual awareness workshops were some of the activities conducted at Hexaware through them.

Your company believes in the diversity recognizes, value, and affirm that social diversity contributes richness to the organization and enhances the quality of life for individuals and groups. Your company ensures that assignments and opportunities for advancement are accessible to everyone.

Your company examines existing policies, practices, and procedures timely to ensure that they do not differentially impact different groups and share same set of values throughout the organization.

Your company has always made substantial efforts in building an eco-system which is contributive to the development and advancement of our women employees. This initiative for women is one of the most impactful sets of development interventions, which your company has opted both in terms of career growth and empowerment. WAH (Women at Hexaware) Forum launched last year in all locations in India introduced a number of initiatives to fulfill the special needs of this group of workforce increasing their work place commitments .

As on December 31, 2013, your Company's employee strength stood at 8,854.

Improving employee motivation

With the focus to align the employee career aspirations with the functional necessities arising out of the new business orientation and bridge the talent gap, we have focused on promoting talent from within; by not only encouraging but also preparing them to take the higher position when required. Many key positions were fulfilled by vertical and / or horizontal movements of deserving candidates from within, thus leading to increased employee motivation and morale

Employee engagement

HR has made attempt to improve the morale and increased the confidence in the employees by conducting various employee engagement activities such as employee connect programs, stay interviews, flight risk management program, fast trackers' program, employee grievance management and counseling, job rotation and career management program and helping employees achieve work life balance.

Workshops

HR also conducted workshops and activities under the aegis of "Hexacare" forum that aims to reach out to the employees through creating awareness about their health, safety, well-being thereby playing a role in the holistic development of the employees.

Some of the workshops or forums organized by HexaCare are as follows:

- Health related workshops
- Family Day
- Hexaware kids' day
- Self-defense techniques for women employees
- Health café, yoga classes, stress management workshops
- Workshops for parents

Employee welfare

- **Funsters** – Hexaware is committed to promote the welfare of the employees. Funsters is one such platform (committee of employees) that aims at creating a fun place to work through periodic activities specifically designed to create a "fun filled work environment" for the employees.

- **Counselling Services** – Today stress and anxiety has become a part of everyone's life and there is no such thing as a stress-free employee. One way to deal with it positively is to opt for counseling sessions. Hexaware has hired a counselor to provide these counseling sessions to its employees so that employees remain stress-free yet motivated and capable.
- **Doctor-on-call** – We have a visiting doctor who comes to our office twice a week and provides medical advice on call, the remaining days.

Diversity

Hexaware believes in diversity and inclusivity of every individual going beyond race, religion, ethnicity and gender identity & expression. Our approach is progressive in nature that helps in creating a work environment which welcomes all forms of diversity. We have policies that are progressive in nature and are beneficial for employees at large. Also, taking into consideration the influx of women in the workforce in recent times, policies have been introduced to fulfill the special needs of this category of workforce.

We have always made sincere, substantive and sustained efforts in building an eco-system which is conducive to the development and advancement of our women employees. They are encouraged to nurture their talent, thereby creating women business leaders, who, we believe will make an important contribution to business and the society at large. WAH (Women at Hexaware) Forum which was launched last year in all locations in India introduced a number of initiatives to fulfill the special needs of this group of workforce.

Foundation training programs

In year 2012, Foundation Training Program was conducted for campus recruits at our in-house Hexavarsity classrooms and learning centers. This program is custom-designed by HexaVarsity to induct, train and develop the skills and competencies of Hexaware's new employees. The curriculum consisted of different courses, both technical and non-technical, delivered over six weeks which also provides a unique bonding experience for trainees and trainers alike.

Hexavarsity

We are committed to empower our employees, by enhancing their skill sets through Hexavarsity - corporate university of Hexaware. It is our in-house Learning and Development Unit, which offers many conventional and leading-edge learning programs for existing employees and new entrants (both lateral entrants and fresh from campus).Hexavarsity has a vision of becoming a Corporate University admired by Global Academia and Industry for Enabling Continuous Excellence Enhancement of the Workforce.

Training is provided to all employees across the company with the following major objectives:

- To build and update the skill base to fill the specific needs of the projects and to develop skills of members in line with new market demands and emerging technologies
- To enable professional growth of employees to prepare them for new role and career growth
- In line with the growth plans of Hexaware, the investment in training has been fixed at the level of dedicated 80 hours training/employee/year

Following are a few of the tools / training program that we have been investing in to ensure a talented employee base:

- **Competency Matrix:** A competency model titled "Technology Quotient Framework" has been implemented. As part of the model competencies, the proficiency levels for various identified roles have been defined. As per the competency framework members are required to undergo training and assessments to fulfill the requirements mandated for their role. Hexaware in Oct 2012 upgraded to new state-of-the-art Learning Management System (LMS) Hexaguru+ and is used for administration, e-learning, tracking and reporting training programs. It is also used for conducting online assessments and certifications. This platform is available 24x7 for all employees globally and vastly enhances our ability to enable remote learning.
- **Bullet Proof Manager® Program:** This program is offered to Hexaware's mid to senior level managers as part of the Management and Leadership Development initiatives. This program is from Crestcom, USA and it is a video based 12 consecutive months program to elevate participating managers to next level.
- **SMART Project Management:** This is another initiative of Hexavarsity. The objective of SMART Project Management is to strengthen the Hexaware's PMs expertise and focus on practical tips and tricks for day to day operations covering Scope Management, Project Management, Agility, Risk Management and Timeliness.

Scalable Training Engine

Instructor led class room training	HexaGuru+ eLearning platform	KnowHow Portal	HexaVarsity Portal	PS HRMS
Internal faculty	Role-wise learning plan	Seminar on Demand	Annual Training Plan	Training & Certification details
Practice experts	E-Learning Content	Cook Books, Run Books, How do I…	Training Schedule	
External SMEs				
	Assessment		Program Frameworks	
	Brainbench Certification		Feedback Tool	
	Virtual labs			

IX. INTERNAL CONTROL SYSTEM

At Hexaware, the Internal Control System is designed to prevent operational risks through a framework of internal controls and processes. Our internal control system ensures that all business transactions are recorded in a timely manner, the financial records are complete, resources are utilized effectively and our assets are safeguarded. We have developed robust policies, procedures, checks and balances to bring in discipline in day-to-day functions, for accurately and timely compilation of data. A mix of automated and manual controls is used to ensure proper preparation and reliability of accounting records.

In addition, the Audit Committee has appointed KPMG as the Internal Auditors of the company. The internal audit ensures safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Further, Internal Auditors findings are discussed with the process owners and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operation.

Cautionary statements

Statements in this Management Discussion and Analysis describing your Company's objectives, projections, estimates and expectations, may be 'forward looking statements' and are within the meaning of the applicable laws and regulations. Actual results might differ substantially or materially from those expressed and implied. Important development that could affect your Company's operations include a downtrend in the international market, fall in business confidence and climate and significant changes in political and economic environment, environment standards, tax laws, litigations and labor relations.

For and on behalf of the Board of Directors

Atul K. Nishar
Chairman

Place: Mumbai
Date: March 28, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HEXAWARE TECHOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HEXAWARE TECHOLOGIES LIMITED** (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st December, 2013, 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 judgement, 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, 2013;

(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 ₹ 1,408.45 million as at 31st December, 2013, total revenues of ₹ 3,538.11 million and net cash inflows amounting to ₹ 1,092.76 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, 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 Registration No.: 117366W / W-100018]

R. D. Kamat
Partner

Membership No. 36822

Mumbai, February 7, 2014

Consolidated Balance Sheet as at 31st December 2013

(₹ Million)

Particulars	Note No.	As at 31st December 2013		As at 31st December 2012	
I. EQUITY AND LIABILITIES					
Share holders' funds					
a. Share capital	"4"	599.75		593.09	
b. Reserves and surplus	"5"	11,391.86		11,445.10	
			11,991.61		**12,038.19**
Share application money pending allotment			**0.86**		**0.38**
Non-current liabilities					
a. Deferred tax liabilities (net)	"6"	275.54		130.47	
b. Other Long term liabilities	"7"	9.17		77.57	
c. Long-term provisions - Employee benefits		204.85		265.68	
			489.56		**473.72**
Current liabilities					
a. Trade payables		493.99		532.57	
b. Other current liabilities	"8"	1,760.29		1,755.31	
c. Short term provisions	"9"	3,575.42		984.52	
			5,829.70		**3,272.40**
Total			**18,311.73**		**15,784.69**
II. ASSETS					
Non-current assets					
a. Fixed assets	"10"				
i. Tangible assets		3,456.56		2,936.54	
ii. Intangible assets		1,693.82		1,506.13	
iii. Capital work-in-progress		220.42		756.76	
		5,370.80		5,199.43	
b. Non-current investments	"11"	4.58		4.58	
c. Deferred Tax Asset (Net)	"6"	227.32		203.61	
d. Long-term Loans and Advances	"12"	1,290.71		1,088.77	
e. Other non-current assets	"13"	176.71		170.01	
			7,070.12		**6,666.40**
Current assets					
a. Current Investments	"14"	3,378.06		2,349.83	
b. Trade receivables	"15"	3,235.78		3,649.08	
c. Cash and cash equivalents	"16"	3,010.52		1,969.01	
d. Short-term loans and advances	"17"	483.43		508.68	
e. Other current assets	"18"	1,133.82		641.69	
			11,241.61		**9,118.29**
Total			**18,311.73**		**15,784.69**
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	"1 to 34"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

For and on behalf of the Board

Atul K. Nishar
(Chairman)

P. R. Chandrasekar
(Vice Chairman & Global CEO)

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

Jimmy Mahtani
(Director)

Kosmas Kalliarekos
(Director)

Dileep Choksi
(Director)

Place : Mumbai
Date : February 7, 2014

Bharat shah
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Consolidated Statement of Profit and Loss for the year ended 31st December 2013

(₹ Million)

Particulars	Note No.	For the year ended 31st December 2013		For the year ended 31st December 2012	
I. INCOME					
a. Revenue from operations		22,853.48		19,481.78	
b. Other income	"19"	372.74		438.28	
			23,226.22		**19,920.06**
II. EXPENSES					
a. Software and development expenses	"20"	3,478.98		2,999.99	
b. Employee benefits expenses	"21"	12,218.78		10,605.64	
c. Operation and other expenses	"22"	2,033.42		1,835.78	
d. Exchange rate difference (net)		311.99		113.33	
e. Interest - Others		2.04		1.61	
f. Depreciation and amortisation expenses	"10"	386.04		324.14	
			18,431.25		**15,880.49**
PROFIT BEFORE TAX			**4,794.97**		**4,039.57**
Tax expense					
Income tax - Current (includes prior year ₹ (12.21) million (₹ 22.31 million))		1,079.32		815.60	
Less : MAT credit entitlement / adjustment		(223.74)		(150.45)	
Net current tax expense		855.58		665.15	
Income tax - Deferred Taxes		148.04		97.95	
			1,003.62		**763.10**
PROFIT FOR THE YEAR			**3,791.35**		**3,276.47**
Earnings per share (in ₹)	"29"				
Basic			12.70		11.09
Diluted			12.59		10.89
Face value of equity share (in ₹)			2.00		2.00
III. NOTES FORMING PART OF FINANCIAL STATEMENTS	"1 to 34"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

For and on behalf of the Board

Atul K. Nishar
(Chairman)

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(Vice Chairman & Global CEO)

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(Executive Director and President - Global Delivery)

Jimmy Mahtani
(Director)

Kosmas Kalliarekos
(Director)

Dileep Choksi
(Director)

Place : Mumbai
Date : February 7, 2014

Bharat shah
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Consolidated Cash Flow Statement for the year ended 31st December 2013

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
A Cash Flow from operating activities		
Net Profit before tax	4,794.97	4,039.57
Adjustments for:		
Depreciation, amortization and Impairment	386.04	324.14
Employees share based payment cost	(0.46)	0.73
Interest Income	(185.28)	(283.22)
Provision for doubtful accounts (net)	28.91	19.99
Debts and advances written off	7.69	12.59
Dividend from current investments	(158.81)	(61.18)
Loss on sale of Investments / Diminution in value of Current Investments (Net)	7.19	1.35
Obsolete asset written off (net)	7.03	1.05
(Profit) on sale of fixed assets (Net)	(7.86)	(0.73)
Deferred settlement loss relating to roll-over cash flow hedges	(672.94)	(242.99)
Exchange Rate Difference	24.14	94.69
Interest Expense	2.04	1.61
Operating profit before working capital changes	**4,232.66**	**3,907.60**
Adjustments for :		
Trade and other receivables	500.25	(598.95)
Trade and other payables	(359.94)	(191.97)
Cash generated from operations	**4,372.97**	**3,116.68**
Direct taxes paid (net)	(1,014.87)	(917.68)
Net cash from operating activities	**3,358.10**	**2,199.00**
B Cash flow from investing activities		
Purchase of fixed assets	(411.02)	(743.68)
Proceeds from sale of fixed assets	18.64	2.98
Interest received (Net of tax ₹ 35.86 Million (₹ 46.19 Million))	107.16	322.70
Purchase of Current Investments	(34,185.63)	(14,531.31)
Proceeds from Sale of Investments	33,150.21	12,404.32
Dividend from current investments	158.81	61.18
Net cash used in investing activities	**(1,161.83)**	**(2,483.81)**
C Cash flow from financing activities		
Proceeds from issue of share capital	78.68	59.82
Share Application money (adjusted) / received	0.48	0.38
Interest and other finance charges paid	(2.04)	(1.61)
Dividend paid (including corporate dividend tax)	(1,332.49)	(1,955.89)
Net cash used in financing activities	**(1,255.37)**	**(1,897.30)**
Net Increase / (Decrease) in cash and cash equivalents	**940.90**	**(2,182.11)**
Cash and cash equivalents at the beginning of the year	**1,950.22**	**4,132.33**
Cash and cash equivalents at the end of the year (Refer Note No. 1 below)	**2,891.12**	**1,950.22**
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	2,885.96	1,614.87
Add : "AAA" rated demand deposits with financial institutions	300.00	507.50
Less : Restricted bank balances	(175.44)	(153.36)
Cash and Cash equivalents as per Note no. 16	**3,010.52**	**1,969.01**
Effect of changes in Exchange rate in cash and cash equivalents	(119.40)	(18.79)
Total Cash and Cash equivalents	**2,891.12**	**1,950.22**
2 Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.		
3 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

R. D. Kamat
Partner

For and on behalf of the Board

Atul K. Nishar
(Chairman)

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(Director)

Bharat shah
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Place : Mumbai
Date : February 7, 2014

Notes forming part of 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, applicable in 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 2013.

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/materialize. 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.

b. 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.

c. Revenue is reported net of discount / incentive.

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

e. Interest Income is recognised on time proportion basis.

f. 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.

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 decline 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 (except depreciation) 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 and loan liabilities. 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 for the period.

K. Employee Benefits

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

Payments to defined contribution retirement 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 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 Cost

Borrowing cost 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 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 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 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. Grants

Grant (not related to fixed assets) are accounted in statement of profit and loss in the year of accrual / receipt when it is reasonably certain that ultimate collections will be made.

Q. 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.

R. 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.

S. 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	Netherland
Hexaware Technologies Asia Pacific Pte Limited.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Limited.	Canada
Caliber Point Business Solutions Ltd.	India
Risk Technology International Limited	India
Hexaware Technologies DO Brazil Ltd , Brazil #	Brazil
Rampran Infotech Ltd *	India

* Company name struck off from Registrar of Company w.e.f. 23rd May 2013.

Subsidiary of Hexaware Technologies UK Ltd

4. Share Capital

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
A. Authorised		
325,000,000 Equity shares of ₹ 2/- each	650.00	650.00
1,100,000 Series "A" Preference shares of ₹ 1421/- each	1,563.10	1,563.10
(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.)		
Total	**2,213.10**	**2,213.10**
B. Issued, subscribed and paid-up capital		
Equity Shares of ₹ 2/- each fully paid.	599.75	593.09
Total	**599.75**	**593.09**

C. Reconciliation of number of shares

Particulars	As at 31st December 2013		As at 31st December 2012	
	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 year	3,331,156	6.66	3,186,363	6.37
Shares outstanding at the end of the year	299,875,947	599.75	296,544,791	593.09

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

Name of Shareholder	As at 31st December 2013		As at 31st December 2012	
	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
HT Global IT Solutions Holdings Ltd. (Holding Company)	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	-	-
Elder Infosystems Pvt Ltd.	-	-	52,154,456	17.59
Elder Venture LLP	-	-	30,030,000	10.13
Dali Limited	-	-	28,627,294	9.65
GA Global Investments Ltd	-	-	21,139,580	7.13
JP Morgan Chase Bank, NA	21,111,400	7.04	21,111,400	7.12
(Unregistered ADR's held by HT Global IT Solutions Holdings Ltd., Previously held by GA Global Investment Ltd.)				

E. Shares allotted 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 ₹ 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 share of ₹ 2 each. 2,840,525 (6,452,576) options were outstanding as on 31st December 2013. (Refer note no. 27).

H. Share application money pending allotment

'Share application money received pending allotment is ₹ 0.86 Million (₹ 0.38 Million) as at 31st December, 2013. 44,000 (30,193) shares are being allotted subsequent to the year end. The Company has sufficient authorised capital to cover the allotment of these shares.

I. The Board of Directors, at its meeting held on 7th February, 2014 has declared an interim dividend of ₹ 7.50/- and recommended final dividend of ₹ 1.00/- per equity share.

5. Reserves and Surplus

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
A. Securities premium account		
As per last Balance Sheet	4,578.74	4,521.83
Add : Received during the year	72.02	53.45
Add :Transfer from employee stock option outstanding	3.69	3.46
	4,654.45	**4,578.74**

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
B.	**Employee stock options outstanding**		
	As per last Balance Sheet	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	3.69	3.46
		-	4.41
	Less : Deferred employee compensation expenses	-	0.26
		-	**4.15**
C.	**General reserve**		
	As per last Balance Sheet	1,843.19	1,491.97
	Add : Transfer from statement of profit and loss	335.33	351.22
		2,178.52	**1,843.19**
D.	**Hedging reserve**		
	As per last Balance Sheet	(760.51)	(1,035.85)
	Less : Losses transferred to statement of profit and loss on occurrence of forecasted hedge transaction (net)	1,053.95	665.56
	Add : Changes in the fair value of the effective portion of outstanding cash flow hedges	(1,532.85)	(390.22)
		(1,239.41)	**(760.51)**
E.	**Amalgamation reserve**	**2.88**	**2.88**
F.	**Special Economic Zone Re-investment Reserve**		
	As per last Balance Sheet	-	-
	Add : Transfer from Statement of Profit and Loss	223.94	-
		223.94	-
G.	**Currency Translation Reserve**		
	As per last Balance Sheet	550.90	423.61
	Addition during the year (Net)	462.60	127.29
		1,013.50	**550.90**
H.	**Balance in statement of profit and Loss**		
	As per last Balance Sheet	5,225.75	4,163.79
	Add : Profit for the year	3,791.35	3,276.47
	Add/(Less): On closure of a Subsidiary	0.05	(0.10)
		9,017.15	7,440.16
	Less: Appropriations		
	Interim dividend - equity	3,030.77	1,247.27
	Proposed dividend - equity	300.27	355.85
	Tax on dividend	568.86	260.07
	Transfer to general reserve	335.33	351.22
	Transfer to Special Economic Zone Re-investment Reserve	223.94	-
		4,557.98	**5,225.75**
	Total	**11,391.86**	**11,445.10**

6. **Deferred Tax Assets / Liabilities**

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
a. Deferred Tax Assets			
i	Provision for doubtful debts and advances	13.66	9.46
ii.	Depreciation	8.43	6.26
iii.	Employee Benefits	190.65	157.97
iv.	Provision Others	13.78	21.50
v.	Others	5.82	8.80
		232.34	203.99
Less: Deferred tax liability			
i.	Depreciation	-	0.38
ii.	Employee Benefits	5.02	-
	Total	**227.32**	**203.61**
b. Deferred Tax Liabilities			
i.	Depreciation	143.83	108.21
ii.	Deferred Cancellation loss relating to roll-over of Cash Flow hedges	226.86	101.58
		370.69	**209.79**
Less: Deferred Tax Asset			
i.	Employee Benefits	54.84	48.52
ii.	Provision Others	32.17	23.62
iii.	Unabsorbed tax losses	6.74	-
iv.	Provision for doubtful debts and advances	1.40	7.18
	Total	**275.54**	**130.47**

7. **Other Long Term Liabilities**

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
a.	Capital creditors	0.17	16.49
b.	Liability for mark to market losses on derivative contracts (net)	9.00	61.08
	Total	**9.17**	**77.57**

8. **Other Current Liabilities**

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
a.	Unearned revenues	143.95	125.47
b.	Unclaimed dividend *	54.82	45.63
c.	Other payables :		
i.	Employee related liability	676.83	589.57
ii.	Statutory liabilities	256.07	254.45
iii.	Deposit received from customer / lessee	0.35	28.67
iv.	Capital creditors	113.51	121.86
v.	Advances from customers	-	0.05
vi.	Liability for mark to market losses on derivative contracts (net)	43.80	160.76
vii.	For expenses	470.96	428.85
	Total	**1,760.29**	**1,755.31**

* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

9. **Short Term Provisions**

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
a.	Provision for employee benefits	401.52	328.21
b.	Proposed dividend	2,552.27	355.85
c.	Tax on proposed dividend	433.76	57.73
d.	Provision for taxation (net of advance tax)	36.32	45.42
e.	Others (Refer Note 32)	151.55	197.31
	Total	**3,575.42**	**984.52**

10. Fixed Assets

(₹ Million)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.01.2013	Additions	Deductions / Adjustments	As at 31.12.2013	As at 01.01.2013	FOR THE YEAR	Deductions / Adjustments	As at 31.12.2013	As at 31.12.2013	As at 31.12.2012
A	**Tangible Assets**										
1.	Land - Freehold	0.15	-	-	0.15	-	-	-	-	0.15	0.15
	Land - Leasehold (Refer Note No.1)	362.14	-	-	362.14	21.97	3.76	-	25.73	336.41	340.17
2.	Buildings	1,838.93	397.84	* 8.62	2,228.15	111.80	32.21	* 1.77	142.24	2,085.91	1,727.13
3.	Plant And Machinery	1,394.31	194.20	* 152.83	1,435.68	1,006.12	147.81	* 139.47	1,014.46	421.22	388.19
4.	Office Equipments	583.95	190.11	10.32	763.74	323.72	91.34	9.90	405.16	358.58	260.23
5.	Furniture And Fixtures	552.84	63.27	36.29	579.82	342.64	45.84	34.93	353.55	226.27	210.20
6.	Improvements To Leasehold Premises	29.30	16.83	* (8.65)	54.78	24.92	5.81	* (2.95)	33.68	21.10	4.38
7.	Vehicles	36.23	4.54	13.64	27.13	30.14	2.97	12.90	20.21	6.92	6.09
	Total - Tangible Assets	**4,797.85**	**866.79**	**213.05**	**5,451.59**	**1,861.31**	**329.74**	**196.02**	**1,995.03**	**3,456.56**	**2,936.54**
	Previous Year	*4,126.05*	*674.35*	*2.55*	*4,797.85*	*1,580.90*	*283.55*	*3.14*	*1,861.31*	*2,936.54*	
B	**Intangible Assets**										
1.	Softwares	211.29	51.94	* (19.56)	282.79	131.49	56.30	* (3.87)	191.66	91.13	79.80
2.	Goodwill On Consolidation	1,426.33	-	(176.36)	1,602.69	-	-	-	-	1,602.69	1,426.33
	Total - Intangible Assets	**1,637.62**	**51.94**	**(195.92)**	**1,885.48**	**131.49**	**56.30**	**(3.87)**	**191.66**	**1,693.82**	**1,506.13**
	Previous Year	*1,542.92*	*71.18*	*(23.52)*	*1,637.62*	*116.30*	*40.59*	*25.40*	*131.49*	*1,506.13*	
C	**Capital Work In Progress**									**220.42**	**756.76**
	(In respect of Buildings under Construction)										
	Current Year	**6,435.47**	**918.73**	**17.13**	**7,337.07**	**1,992.80**	**386.04**	**192.15**	**2,186.69**	**5,370.80**	**5,199.43**
	Previous Year	*5,668.97*	*745.53*	*(20.97)*	*6,435.47*	*1,697.20*	*324.14*	*28.54*	*1,992.80*	*4,442.67*	-

Notes:

1 Includes ₹ 90.00 Million and ₹ 5.58 Million (Previous Year ₹ 4.66 Million) being lease premium and accumulated amortisation in respect of leasehold land alloted to the Company at Nagpur for which final lease agreement is being executed.

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

(₹ Million)

Particulars	Gross Block	Depreciation
Goodwill On Consolidation	176.36	-
TANGIBLE ASSETS		
Plant and Machinery	20.39	16.95
Office Equipments & AC	2.01	1.28
Furniture and Fixtures	7.51	4.62
Improvements to Leasehold Premises	3.78	3.38
Vehicles	0.19	0.19
INTANGIBLE ASSETS		
Computer Softwares	1.13	1.28
Current Period	**211.37**	**27.70**
Previous year	*63.92*	*12.58*

3 Plant and Machinery includes computer systems.

* Includes reclassification adjustments of ₹ 23.19 Million in Gross Block and ₹ 2.66 Million in Accumulated Depreciation.

11. Non-Current Investments

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Trade investments - Others - Unquoted - (at cost)		
240,958 equity shares of ₹ 10/- each invested in Beta Wind Farm Pvt.Ltd.	4.58	4.58
Total	**4.58**	**4.58**

12. Long Term Loans and Advances (Unsecured)

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Considered good		
a. Capital Advances	11.26	13.01
b. Security Deposits	83.04	64.71
c. Advance Income Tax and Fringe benefit Tax (net of provision for tax)	219.80	279.32
d. MAT Credit Entitlement	913.85	690.11
e. Other Loans and advances	62.76	41.62
Total	**1,290.71**	**1,088.77**

13. Other Non Current Assets

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Interest accrued on deposits	1.27	8.37
b. Unbilled services	-	8.28
c. Non current bank balances		
Restricted bank balances	175.44	153.36
Total	**176.71**	**170.01**

14. Current Investments

(₹ Million)

Particulars	No. of Units	As at 31st December 2013	No. of Units	As at 31st December 2012
Non Trade Investment (Unquoted) (At cost or fair value whichever is lower)				
Investment in mutual funds (Unit of ₹ 10/- each, unless otherwise stated)				
Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - reinvestment (Face value ₹ 100/-)	9173024	919.09	-	-
HDFC Liquid Fund -Direct Plan - Daily Dividend Reinvest	38747899	395.16	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend (face value ₹ 100/-)	4345986	434.83	-	-
JP Morgan India Liquid Fund - Direct Plan - Daily Dividend Reinvestment	4996139	50.01	-	-
L & T Liquid Fund - Daily Dividend (face value ₹ 1000/-)	62030	62.75	-	-
Tata Money Market Fund Direct Plan - Daily Dividend	36660331	367.16	-	-
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend (Face value ₹ 100/-)	3996300	400.15	-	-
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend (Face value ₹ 100/-)	3248898	325.36	-	-
Birla Sunlife cash plus growth regular plan	462912	46.38	-	-
Birla Sun life floating Rate Fund - Short Term plan - Daily Dividend Reinvestmnet (Face value ₹ 100/-)	3145094	314.57	2274946	227.54
Kotak Floater Short Term - Daily Dividend Reinvestment (face value ₹ 1000/-)	61872	62.59	30530679	308.85
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	-	-	23917490	252.54
DSP Blackrock Liquidity Fund - Institutional Plan - Daily Dividend (Face value ₹ 1000/-)	-	-	50028	50.04
HDFC Short Term Opportunity Fund - Dividend Reinvestment	-	-	25182075	252.85
ICICI Prudential Blended Plan B - Daily Dividend option	-	-	31105418	311.79
Sundaram Money Fund Regular - Daily Dividend	-	-	19814869	200.04
Sundaram Ultra ST Fund Super Institutional Dividend Reinvestment Daily	-	-	19694059	197.67
Tempelton India ultra Short Term Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	-	-	32022111	320.77
Templeton India Treasury Management Account Super Institutional Plan (Face value ₹ 1000/-)	-	-	227590	227.74
Total		**3,378.06**		**2,349.83**
Aggregate value of unquoted investments.		3,378.06		2,349.83

15. Trade Receivables (Unsecured)

(₹ Million)

Particulars	As at 31st December 2013		As at 31st December 2012	
a. Over six months from the due date				
Considered good	6.11		2.14	
Considered doubtful	49.36		43.82	
	55.47		45.96	
Less : Provision for doubtful accounts	49.36	6.11	43.82	2.14
b. Others				
Considered good	3,229.67		3,646.94	
Considered doubtful	19.35		15.90	
	3,249.02		3,662.84	
Less : Provision for doubtful accounts	19.35	3,229.67	15.90	3,646.94
Total		**3,235.78**		**3,649.08**

16. Cash and Cash Equivalents

(₹ Million)

Particulars			As at 31st December 2013		As at 31st December 2012	
a.	Cash in hand			0.01		0.02
b.	Balances with banks					
	i.	In current accounts	1,225.65		675.76	
	ii.	Remittance in transit	-		61.15	
	iii.	Bank deposits accounts with less than 3 months original maturity	367.36		212.58	
				1,593.01		949.49
c.	Other bank balances					
	i.	Earmarked balances with banks	99.46		105.92	
	ii.	Unclaimed dividend accounts	55.18		40.96	
	iii.	Margin money	20.80		6.48	
	iv.	Bank deposit accounts with more than 12 months original maturity	248.50		498.50	
	v.	Bank deposit accounts with more than 3 months and less than 12 months maturity	869.00		13.50	
				1,292.94		665.36
		Cash and Bank balances		**2,885.96**		**1,614.87**
d.	"AAA" rated demand deposits with Financial Institutions			300.00		507.50
e.	Bank balances reclassified as non current assets					
		Restricted bank balances		(175.44)		(153.36)
		Total		**3,010.52**		**1,969.01**

17. Short Term Loans and Advances (Unsecured)

(₹ Million)

Particulars			As at 31st December 2013		As at 31st December 2012	
a.	Considered good					
	i.	Security deposits	27.08		86.64	
	ii.	Advance income tax (net of provision for tax)	50.56		28.84	
	iii.	Other loans and advances (includes service tax receivable, prepaid expenses and employee advances)	405.79		393.20	
				483.43		**508.68**
b.	Considered doubtful					
		Security Deposits	35.98		33.23	
		Less: Provision for doubtful deposits	(35.98)	-	(33.23)	-
		Total		**483.43**		**508.68**

18. Other Current Assets

(₹ Million)

Particulars		As at 31st December 2013	As at 31st December 2012
a.	Interest accrued on deposits	106.01	56.65
b.	Unbilled services	1,027.81	585.04
	Total	**1,133.82**	**641.69**

19. Other Income

(₹ Million)

	Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
a.	Dividend from current investments	158.81	61.18
b.	Loss on Sale / diminution in value of Current Investments (Net)	(7.19)	(1.35)
c.	Interest income	185.28	283.22
d.	Profit on Sale of Fixed Assets (Net)	7.86	0.73
e.	Rental income	2.41	70.82
f.	Miscellaneous income	25.57	23.68
	Total	**372.74**	**438.28**

20. Software and Development Expenses

(₹ Million)

	Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
a.	Consultant travel and related expenses	1,004.65	982.41
b.	Software expenses*	2,474.33	2,017.58
	Total	**3,478.98**	**2,999.99**
	* Includes subcontracting charges	2,142.41	1,739.95

21. Employee Benefits Expenses

(₹ Million)

	Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
a.	Salaries and allowances	10,789.87	9,352.20
b.	Contribution to provident and other funds	1,181.80	1,022.92
c.	Staff welfare expenses	247.57	229.79
d.	Employee stock option compensation cost	(0.46)	0.73
	Total	**12,218.78**	**10,605.64**

22. Operations and Other Expenses

(₹ Million)

Particulars	For the year ended 31st December 2013		For the year ended 31st December 2012	
Rent		224.67		212.00
Rates and taxes		28.50		38.32
Travelling and conveyance expenses		500.11		470.56
Electricity charges		171.95		179.93
Communication expenses		219.52		185.87
Repairs and maintenance				
i. Building	25.13		12.57	
ii. Plant and machinery	69.95		64.89	
iii. Others	55.34		44.99	
		150.42		122.45
Printing and stationery		25.15		21.95
Auditors remuneration				
i. Audit Fees	17.93		16.53	
ii. Tax Audit Fees	1.70		1.84	
iii. Certification work, taxation and other matter	3.67		4.52	
		23.30		22.89
Legal and professional fees		139.78		100.55
Advertisement and publicity		25.32		26.37
Seminar, conference and business promotion expenses		98.91		101.60
Bank and other charges		10.27		9.66
Directors' sitting fees		1.92		2.02
Insurance charges		49.98		37.80
Donation		0.29		0.83
Fixed Assets written off		7.03		1.05
Debts and advances written off (net of recoveries ₹ 22.14 Million (₹ 0.07 Million))		7.69		12.59
Provision for doubtful accounts (Net of write back ₹ 15.54 Million (₹ 22.44 Million))		28.91		19.99
Staff recruitment expenses		66.06		59.99
Service charges		118.14		105.15
Miscellaneous expenses		135.50		104.21
Note : Miscellaneous Expenses includes Stamp Duty & Filing fees, Hiring charges, Registrar and Share Transfer expenses, Membership and Subscription, etc.				
		2,033.42		**1,835.78**

23. Contingent Liabilities in respect of

a. Claims not acknowledged as debt ₹ 28.14 million (Previous year ₹ 28.14 million).

b Claims for taxes on income:

i. Where Company is in appeal

Income tax demands of ₹ 112.38 million have been raised in respect of assessments completed during the year, 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.

In case of a Subsidiary company income tax amount of ₹ 3.23 million (Previous year ₹ 1.43 Million) for Assessment years 2008-09 to 2010-11, disputed in appeal and pending decision. Subsidiary company is hopeful of getting a favourable decision.

ii. Others:

During the previous year, the CIT (A) had passed an order in favour of the Company against demand of ₹ 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 the ITAT 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) ₹ 223.77 million (Previous year ₹ 160.42 million).

26. The Company takes on lease, offices space, accommodation and vehicles for its employees under various operating leases. The lease rentals towards non-cancellable agreement recognised in the statement of Profit and Loss for the year are ₹ 145.50 million (Previous year ₹ 94.75 million).

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

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Not Later than one year	137.53	100.37
Later than one year but not later than five years	118.53	206.82
Total	**256.06**	**307.19**

Non-cancellable rentals income recognised in the statement of profit and loss account on account of leased premises is ₹ 2.16 million (Previous year ₹ 18.52 million).

27. Share Based Compensation (ESOP)

a) 67,500 (257,164) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively under Hexaware Technologies Limited – Employee Stock Option ('ESOP – 2002') ('the Plan') at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Remuneration and Compensation Committee ('Committee'). Each Option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The Options shall vest in four equal instalments or as determined at the discretion of the Committee. The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

b) In 2007 the shareholders of the Company approved the ESOP Scheme 2007 ('ESOP – 2007') under which such number of equity shares and or other instruments or securities could be granted not exceeding five percent of the issued equity shares of the Company as on the date of such grant. 2,735,525 (6,080,233) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Committee. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The options shall vest in four equal instalments or as determined at the discretion of the Committee. No options shall be granted under the scheme after 10th September, 2014 (closing date). The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

c) In 2008, the shareholders of the Company approved the ESOP Scheme 2008 ('ESOP – 2008') under which such number of equity shares and/ or other instruments or securities could be granted not exceeding two percent of the issued equity shares of the Company as on the date of such grant. 37,500 (115,179) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Committee. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The options shall vest in four equal instalments or as determined at the discretion of the Committee. No options shall be granted under the scheme after 23rd October, 2015 (Closing date). The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

d) (i) The particulars of number of warrants / options granted and lapsed under the aforementioned Schemes are tabulated below.

Particulars	ESOP - 2002		ESOP - 2007		ESOP - 2008		Total	
	Options (nos.)	Weighted avg. ex. Price per share(₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)
Outstanding as at the beginning of the year	257,164	12.48	6,080,233	36.26	115,179	29.65	6,452,576	35.20
	(555,280)	(12.48)	(9,166,324)	(30.85)	(178,680)	(28.83)	(9,900,284)	(29.78)
Granted during year	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Excercised during the year	189,664	12.49	3,080,353	24.21	61,139	28.22	3,331,156	23.62
	(213,738)	(12.49)	(2,909,124)	(19.05)	(63,501)	(27.35)	(3,186,363)	(18.78)
Lapsed during the year	-	-	264,355	40.85	16,540	5.00	280,895	38.74
	(84,378)	(12.45)	(176,967)	(38.68)	(-)	(-)	(261,345)	(30.21)
Outstanding as at the year end	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)
Excercisable as at the year end	67,500	12.45	1,382,025	34.86	-	-	1,449,525	33.82
	(100,000)	(12.45)	(1,510,112)	(31.84)	(742)	(5.00)	(1,610,854)	(30.62)

Previous Year figures are given in brackets.

(ii) The following table provides details in respect of range of exercise price and weighted average remaining contractual life (in months) for the options outstanding under above schemes as at December 31, 2013:

Range of exercise price (₹)	As at 31st December 2013		As at 31st December 2012	
	Options (nos.)	Weighted average remaining life	Options (nos.)	Weighted average remaining life
5.00 - 13.30	807,000	27	3,423,703	39
30.70 - 42.85	347,000	39	610,500	53
51.98 - 79.85	1,686,525	52	2,418,373	64
Total	**2,840,525**		**6,452,576**	

(iii) The movement in deferred Employee Compensation Expense during the year is as follows:

(₹ Million)

Particulars	Year 2013	Year 2012
Balance at the beginning of the year	0.26	1.44
Less: Amortisation for the year	(0.46)	0.73
Less: Reversal due to forfeiture	0.72	0.45
Balance carried forward	**-**	**0.26**

e) The Company has followed the Intrinsic Value-based method of accounting for stock options granted after 1st January , 2006 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. 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, the Company's net income would be lower by ₹ 14.05 million (Previous year lower by ₹ 38.03 million) and earnings per share as reported would be lower as indicated below:

Particulars	Year 2013	Year 2012
Basic Earnings per share		
As reported (in ₹)	12.70	11.09
Adjusted (in ₹)	12.65	10.96
Diluted Earnings per share		
As reported (in ₹)	12.59	10.89
Adjusted (in ₹)	12.54	10.77

The Company has adopted Black Scholes Option pricing model to determine fair value of stock options.

28. Related party disclosures

Names of related parties and description of relationship:

Ultimate Holding Company and it's subsidiary

Baring Private Equity Asia GP V. LP, Cayman Island

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

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

Parel Investment Holdings Limited, Mauritius

Holding Company

HT Global IT Solutions Holdings Limited , Mauritius

Key Management Personnel

Mr. Atul K. Nishar – Chairman

Mr. P. R. Chandrasekar - Vice Chairman and Chief Executive Officer

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

Mr R. V. Ramanan – Executive Director and President Global Delivery

Mr Ramanan Seshadri - Whole Time Director (Hexaware Technologies UK Ltd) (upto 30th November2013)

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

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

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

Mr Chinmoy Banerjee - Chief Executive Officer (Caliber Point Business Solutions Ltd) (w.e.f.1st August 2013.)

Others

Hexaware Technologies Employee Stock Option Trust-entities in which key management personnel have control and/or significant influence

Ms Kala Ramanan – Relative of Key Management Personnel – w.e.f. 16th May 2013

Transactions with related parties

Receiving of Services

Particulars	Remuneration (₹ Million)	Units/Options including restricted Stock units Outsanding as on 31-12-2013 (Nos)
Mr. Atul K. Nishar	11.20	-
	(12.91)	(-)
Mr P R Chandrasekar	81.61	-
	(76.78)	(1,019,978)
Mr R V Ramanan	28.88	125,000
	(26.87)	(388,822)
Dr. (Mrs.) Alka A. Nishar	-	-
	(8.95)	(-)
Mr R U Srinivas	9.09	-
	(13.55)	(60,000)
Mr Rajiv Pant	43.19	37,500
	(40.57)	(242,536)
Mr. Ramanan Sheshadri	21.81	124,000
	(29.82)	(248,000)
Mr. Chinmoy Banarjee	9.51	-
	(-)	(-)
Mr. Amrinder Singh	1.76	-
	(-)	(-)
	Guest House Rent	
Ms. Kala Ramanan	0.70	-
	(-)	(-)

29. Earnings per share (EPS)

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

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
Net profit after tax (₹ million)	3,791.35	3,276.47
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,503,477	295,531,683
Basic Earnings per share (In ₹)	12.70	11.09
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,503,477	295,531,683
Add : Effect of dilutive issue of stock options (including share application money received on exercise of options) (Nos.)	2,648,830	5,253,564
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	301,152,307	300,785,247
Diluted Earnings per share (In ₹)	12.59	10.89

30. Employee benefit plans:

a. Provident Fund, Superannuation Fund and other similar funds.

i. In respect of holding company and its subsidiaries 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. The holding Company pays a part of the contributions to Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'). The remaining portion by the holding Company and entire contribution by its subsidiary Company is contributed to the Government administered employee 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 in respect of holding Company, there is no shortfall as at 31st December 2013.

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Present value of benefit obligation	1,528.62	1,283.38
Fair value of plan assets	1,528.62	1,283.38
Expected Investment Return	8.71%	9.13%
Remaining term of maturities	8.21 Years	7.55 Years
Expected guaranted interest rates	8.75%	8.25%

Certain employees of the holding Company and its subsidiary Company in India are entitled to benefits under superannuation, 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 recognised such contributions as an expense when incurred and have no further obligation to the plan beyond their contributions

The amounts recognised as expense towards contributions to provident fund, other funds and superannuation fund ₹215.04 million (Previous year ₹202.49 million) and ₹8.11 million (Previous year ₹ 10.52 million) respectively during the year ended 31st December, 2013.

ii. The Company contributed ₹357.68 million (Previous year ₹285.07 million) towards various other defined contributions plans of subsidiaries located outside India during year ended 31st December , 2013 as per laws of the respective country.

b. Gratuity plans in respect of holding Company and its subsidiaries in India:

Both the companies 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 year 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 funded gratuity plan for the year ended 31st December, 2013

(₹ Million)

Particulars	Year 2013	Year 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**344.26**	**268.97**
Current Service Cost	74.18	60.20
Interest Cost	32.80	27.07
Actuarial losses / (gains)	(65.51)	3.24
Benefits paid	(19.37)	(15.22)
Closing Defined Benefit Obligation	**366.36**	**344.26**
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**201.41**	**158.51**
Expected Return on Plan Assets	17.24	13.86
Actuarial gains / (losses)	3.85	1.67
Contribution by Employer	79.93	42.59
Benefits paid	(19.37)	(15.22)
Closing Fair Value of Plan Assets	**283.06**	**201.41**
Net Liability as per Actuarial Valuation	**83.30**	**142.85**
Expense for the year		
Current Service Cost	74.18	60.20
Interest on Defined Benefit Obligation	32.80	27.07
Expected Return on Plan Assets	(17.24)	(13.86)
Actuarial losses / (gains)	(69.36)	1.57
Total Included in Employment Expenses	**20.38**	**74.98**
Actual Return on Plan Assets	**21.09**	**15.53**
Category of Assets as on December 31, 2013 (Insurer Managed Fund)	**283.06**	**201.41**

Particulars	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09
Defined Benefit Obligation	366.36	344.26	268.97	237.18	204.25
Plan Assets	283.06	201.41	158.51	148.48	111.09
Surplus / (Deficit)	(83.30)	(142.85)	(110.46)	(88.70)	(93.16)
Experience Adjustment on Plan Liabilities	(6.55)	(18.49)	(2.15)	(16.39)	(18.18)
Experience Adjustment on Plan Assets	3.85	1.67	0.68	2.56	0.36

The Company is expected to contribute ₹ 77 million to gratuity funds for the year ended 31st December, 2014.

Financial Assumptions at the Valuation Date:

Particulars	2013 Parent Company	2013 Subsidiary Company	2012 Parent Company	2012 Subsidiary Company
Discount rate	9.15%	9.10%	8.10%	8.15%
Rate of increase in compensation levels of covered employees **	10% for first year and 7.5% thereafter	6%	10% for first year and 7.5% thereafter	6%
Expected Rate of Return on Plan assets (*)	8.00%	7.50%	8.00%	7.50%

* 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, since the fund is managed by LIC.

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

Asset allocations

Since the investments are held in the form of deposit with LIC, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.

31. Derivative Instruments:

Forward exchange contracts to Sell US Dollar 174.76 Million and Sell Euro 9.33 Million are outstanding as of December 31, 2013. (Previous Year Sell US Dollar 218.12 Million and Sell Euro 13.96 Million).

Fair value net loss of the derivative instruments identified as cash flow hedges is ₹ 52.80 million as at December 31, 2013. (Previous Year Net loss of ₹ 221.84 million).

Net loss of ₹ 1,239.41 million recognised in Hedging Reserve as of December 31, 2013 is expected to be classified to statement of Profit and loss over two years.

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

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Opening provision at the beginning of the year	197.31	346.19
Provision made during the year	46.04	8.35
Paid /adjusted during the year	(91.80)	(157.23)
Closing provision at the end of the year	**151.55**	**197.31**

33. Segments:

(₹ Million)

Primary Segment : Business Segments	Travel, Transportation, Hospitality and Logistics	Banking and Financial Services	Insurance and Healthcare	Manufacturing and Services	Others	Total
Segment Revenue	4,147.05	7,793.18	3,572.94	4,557.25	2,783.06	22,853.48
	(3,777.75)	(5,698.68)	(3,020.15)	(4,370.06)	(2,615.14)	(19,481.78)
Segment Results	1,086.09	1,491.10	849.59	1,365.73	329.79	5,122.30
	(838.85)	(968.38)	(623.63)	(1,180.24)	(429.27)	(4,040.38)
Less: Unallocable expenses						698.03
						(437.47)
Add: Other Income						372.74
						(438.28)
Less: Interest						2.04
						(1.61)
Profit before tax						4,794.97
						(4,039.58)
Less: Provision for taxation						1,003.62
						(763.10)
Profit after tax						3,791.35
						(3,276.47)

Secondary Segment - Geographic Segment	North America	Europe	India	Rest of the World	Total
Revenue attributable to location of customers	15,183.19	6,130.53	468.71	1,071.05	22,853.48
	(12,750.61)	(5,263.11)	(381.27)	(1,086.79)	(19,481.78)
Segment assets based on their locations	3,425.14	662.22	5,602.99	161.52	9,851.87
	(3,087.90)	(549.54)	(5,599.22)	(119.53)	(9,356.19)
Additions to fixed assets (including capital work in progress)	60.39	3.77	307.54	10.68	382.38
	(44.21)	(3.66)	(655.71)	(0.04)	(703.62)
Goodwill	1,461.53	141.16	-	-	1,602.69
	(1,300.71)	(125.62)	(-)	(-)	(1,426.33)

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.

34. 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)	**P. R. Chandrasekar** (Vice Chairman & Global CEO)	**R. V. Ramanan** (Executive Director and President - Global Delivery)
	Jimmy Mahtani (Director)	**Kosmas Kalliarekos** (Director)	**Dileep Choksi** (Director)
Place : Mumbai Date : February 7, 2014	**Bharat shah** (Director)	**Rajesh Kanani** (Chief Financial Officer)	**Gunjan Methi** (Company Secretary)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXAWARE TECHOLOGIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HEXAWARE TECHOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st December , 2013, the Statement of Profit and Loss and the 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 Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the 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 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on 31st December, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

R. D. Kamat
Partner
(Membership No. 36822)

MUMBAI, February 7, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: Hexaware Technologies Limited

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

i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As per information and explanation given to us, physical verification of fixed assets was carried out by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.

c) The fixed assets disposed off during the year, in our opinion; do not constitute a substantial part of the fixed assets of the Company.

ii) The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

iii) The Company has not granted or taken any loan secured/unsecured, to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

iv) In our opinion, and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and nature of its business for purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system.

v) In respect of contracts and arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:

a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register maintained under the said section have been so entered.

b) According to information and explanations given to us, where the transactions made in pursuance of such contracts or arrangements during the year are in excess of ₹ 5 lacs, they have been made at prices, which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time.

vi) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Sec 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.

vii) A firm of Chartered Accountants appointed by the management carried out internal audit during the year. In our opinion, the internal audit system of the Company is commensurate with its size and nature of business.

viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act. Therefore, the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

ix) a) According to the information and explanations given to us, the Company has generally been regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, investor education and protection fund, cess and any other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st December, 2013 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of statute	Nature of the dues	Amount (₹ Million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	0.37	1st April, 2010 to 30th September, 2010	Commissioner of Central Excise (Appeals)
Income Tax Act, 1961	Income Tax	112.27	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.11	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)

x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the year and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not borrowed any amounts from banks, financial institutions or by issue of debentures.

xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate records for this purpose does not arise.

xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provision of clause 4 (xv) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.

xvi) The Company has not taken any term loan during the year and hence the question of applying term loans for the purpose for which they were obtained does not arise.

xvii) According to information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima-facie, not been used for long term investment.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the year, hence the question of creation of security or charge in respect of debentures issued does not arise.

xx) The Company has not raised any money by way of public issues during the year.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company was noticed or reported during the year.

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

R. D. Kamat
Partner
(Membership No. 36822)

MUMBAI, February 7, 2014

Balance Sheet as at 31st December 2013

(₹ Million)

Particulars		Note No.	As at 31st December 2013		As at 31st December 2012	
I.	**EQUITY AND LIABILITIES**					
	Share holders' funds					
	a. Share capital	"3"	599.75		593.09	
	b. Reserves and surplus	"4"	8,285.52		9,253.03	
				8,885.27		**9,846.12**
	Share application money pending allotment	"3"		**0.86**		**0.38**
	Non-current liabilities					
	a. Deferred tax liabilities (net)	"5"	245.36		101.79	
	b. Other Long term liabilities	"6"	0.17		76.23	
	c. Long-term provisions - Employee benefits		171.26		232.16	
				416.79		**410.18**
	Current liabilities					
	a. Trade payables		1,489.84		1,385.82	
	b. Other current liabilities	"7"	677.67		847.70	
	c. Short term provisions	"8"	3,183.06		633.91	
				5,350.57		**2,867.43**
		Total		**14,653.49**		**13,124.11**
II.	**ASSETS**					
	Non-current assets					
	a. Fixed assets	"9"				
	i. Tangible assets		2,954.72		2,441.28	
	ii. Intangible assets		64.22		70.98	
	iii. Capital work-in-progress		212.47		756.76	
			3,231.41		3,269.02	
	b. Non-current investments	"10"	2,009.52		2,010.02	
	c. Long-term loans and advances	"11"	1,205.63		1,007.49	
	d. Other non-current assets	"12"	140.50		163.38	
				6,587.06		**6,449.91**
	Current assets					
	a. Current Investments	"13"	3,331.67		2,349.83	
	b. Trade receivables	"14"	2,387.95		2,521.07	
	c. Cash and cash equivalents	"15"	1,474.88		1,103.17	
	d. Short-term loans and advances	"16"	518.85		598.17	
	e. Other current assets	"17"	353.08		101.96	
				8,066.43		**6,674.20**
		Total		**14,653.49**		**13,124.11**
III.	**NOTES FORMING PART OF FINANCIAL STATEMENTS**	"1 to 38"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

For and on behalf of the Board

Atul K. Nishar
(Chairman)

P. R. Chandrasekar
(Vice Chairman & Global CEO)

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

Jimmy Mahtani
(Director)

Kosmas Kalliarekos
(Director)

Dileep Choksi
(Director)

Place : Mumbai
Date : February 7, 2014

Bharat shah
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Statement of Profit and Loss for the year ended 31st December 2013

(₹ Million)

Particulars		Note No.	For the year ended 31st December 2013		For the year ended 31st December 2012	
I.	**INCOME**					
a.	Revenue from operations		10,199.54		9,124.74	
b.	Other income	"18"	333.23		458.52	
				10,532.77		**9,583.26**
II.	**EXPENSES**					
a.	Software and development expenses	"19"	525.33		583.60	
b.	Employee benefits expenses	"20"	4,400.04		4,328.83	
c.	Operation and other expenses	"21"	954.05		917.06	
d.	Exchange rate difference (net)		241.43		71.13	
e.	Interest - Others		1.35		1.05	
f.	Depreciation and amortisation expenses	"9"	310.30		269.45	
				6,432.50		**6,171.12**
	PROFIT BEFORE TAX			**4,100.27**		**3,412.14**
	Tax expense					
a.	Income tax - Current (including ₹ (11.98) million pertaining to previous year (₹ 22.31 million))		831.26		576.27	
b.	Less : MAT credit entitlement		(214.22)		(121.95)	
c.	Net current tax expense		617.04		454.32	
d.	Income tax - Deferred		143.57		101.79	
				760.61		**556.11**
	PROFIT FOR THE YEAR			**3,339.66**		**2,856.03**
	Earnings per share (in ₹)	"27"				
	Basic			11.19		9.66
	Diluted			11.09		9.50
	Face value of equity share (in ₹)			2.00		2.00
III.	**NOTES FORMING PART OF FINANCIAL STATEMENTS**	"1 to 38"				

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : February 7, 2014

For and on behalf of the Board

Atul K. Nishar
(Chairman)

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Bharat shah
(Director)

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(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Cash Flow Statement for the year ended 31st December 2013

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
A Cash flow from operating activities		
Net Profit before tax	4,100.27	3,412.14
Adjustments for :		
Depreciation and amortisation	310.30	269.45
Employees share based payment cost	(0.46)	0.73
Dividend from current investments	(157.20)	(59.31)
Dividend from subsidiary company	-	(46.67)
Interest income	(165.28)	(265.20)
Provision for doubtful accounts (net)	17.94	(5.40)
Loss on sale / diminution in value of investments (net) / closure of subsidiary (net)	7.24	1.42
Bad Debts written off	-	6.73
Deferred settlement (loss) relating to roll-over cash flow hedges	(679.07)	(248.70)
(Profit) on sale of fixed assets (net)	(2.06)	(0.47)
Interest expense	1.35	1.05
Exchange rate difference	1.49	(1.14)
Obsolete asset written off (net)	7.03	1.05
Operating Profit before working capital changes	**3,441.55**	**3,065.68**
Adjustments for :		
Trade and other receivables	(24.00)	(387.27)
Trade and other payables	(13.24)	(10.86)
Cash generated from operations	**3,404.31**	**2,667.55**
Direct taxes paid (net)	(719.26)	(695.43)
Net cash from operating activities	**2,685.05**	**1,972.12**
B Cash flow from investing activities		
Purchase of fixed assets	(315.80)	(676.57)
Proceeds from reduction of trade investment	0.45	64.23
Purchase of other investments	(33,831.02)	(14,066.42)
Interest received (net of tax ₹ 34.12 million (₹ 52.15 million)	88.96	302.99
Purchase of trade investment	-	(4.58)
Proceeds from sale / redemption of investments	32,841.99	11,943.94
Dividend from subsidiary company (net of tax ₹ Nil (₹ 9.33 million))	-	37.34
Dividend from current investments	157.20	59.31
Proceeds from sale of fixed assets	1.72	1.62
Net cash used in investing activities	**(1,056.50)**	**(2,338.14)**
C Cash flow from financing activities		
Proceeds from issue of shares	78.68	59.82
Share application money received	0.48	0.38
Interest paid	(1.35)	(1.05)
Dividend paid (including corporate dividend tax)	(1,332.49)	(1,955.89)
Net cash used in financing activities	**(1,254.68)**	**(1,896.74)**
Net Increase / (Decrease) in cash and cash equivalents	**373.87**	**(2,262.76)**
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 year (Refer Note No. 1 below)	**1,474.42**	**1,100.55**
Notes:		
1 Components of cash and cash equivalents comprise the following : (Refer Note no. 15 of notes forming part of financial statements)		
Cash and Bank Balances	1,314.66	742.61
Add : "AAA" rated demand deposits with financial institution	300.00	507.50
Less : Restricted bank balances	(139.78)	(146.94)
Cash and Cash equivalents as per Note no. 15	**1,474.88**	**1,103.17**
Less : Unrealised gain on foreign currency cash and cash equivalents	(0.46)	(2.62)
Total Cash and Cash equivalents	**1,474.42**	**1,100.55**
2 Purchase of Fixed Assets (including movements in Capital work in progress) are considered as a part of investing activities.		
3 Previous year figures have been regrouped wherever necessary.		

In terms of our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : February 7, 2014

For and on behalf of the Board

Atul K. Nishar (Chairman)

P. R. Chandrasekar (Vice Chairman & Global CEO)

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

Jimmy Mahtani (Director)

Kosmas Kalliarekos (Director)

Dileep Choksi (Director)

Bharat shah (Director)

Rajesh Kanani (Chief Financial Officer)

Gunjan Methi (Company Secretary)

Notes forming part of 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, applicable in 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 of Financial Statements

These financial statements 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.

b) 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 amounts 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 reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialised. 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.

c) Revenue Recognition

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 is reported net of discount / incentive.

Dividend income is recognised when right to receive is established.

Interest Income is recognised on time proportion basis.

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.

d) 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.

e) 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

f) Investments

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

g) 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 (except depreciation) 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 is recognized in the Statement of Profit and Loss.

h) 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 for the period.

i) Employee Benefits

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

Payments to defined contribution retirement schemes 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 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 recognized 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.

ii. 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 and bonus payable.

j) Borrowing Cost

Borrowing cost 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 charged to revenue.

k) Leases

i. 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 a liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability.

ii. 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.

l) 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 tax rates.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty 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.

m) 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.

n) 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.

o) 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.

p) Cash and Cash Equivalents

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

3 Share Capital

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
A. Authorised		
325,000,000 Equity Shares of ₹ 2/- each	650.00	650.00
1,100,000 Series "A" Preference shares of ₹ 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
	2,213.10	**2,213.10**
B. Issued, subscribed and paid-up capital		
Equity shares of ₹ 2/- each fully paid	599.75	593.09
Total	**599.75**	**593.09**

C. Reconciliation of number of shares

Particulars	As at 31st December 2013		As at 31st December 2012	
	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 year	3,331,156	6.66	3,186,363	6.37
Shares outstanding at the end of the year	299,875,947	599.75	296,544,791	593.09

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

Name of Shareholder	As at 31st December 2013		As at 31st December 2012	
	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
i. HT Global IT Solutions Holdings Ltd. (Holding company)	164,323,724	54.80	-	-
ii. Parel Investment Holdings Ltd (Subsidiary of ultimate holding company, Baring Private Equity Asia GP V, LP.)	27,288,327	9.10	-	-
iii. Elder Infosystems Pvt. Ltd.	-	-	52,154,456	17.59
iv. Elder Venture LLP	-	-	30,030,000	10.13
v. Dali Limited	-	-	28,627,294	9.65
vi. GA Global Investments Ltd.	-	-	21,139,580	7.13
vii. J P Morgan Chase Bank, NA (unregistered ADR's held by HT Global IT Solutions Holdings Ltd. (Holding company). Previous year held by GA Global Investments Ltd.)	21,111,400	7.04	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 ₹ 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 share of ₹ 2 each. 2,840,525 (6,452,576) options were outstanding as on 31st December 2013. (Refer Note No. 24)

H. Share application money pending allotment

Share application money received pending allotment is ₹ 0.86 million (₹ 0.38 million) as at 31st December, 2013. 44,000 (30,193) shares are being allotted subsequent to the year end. The Company has sufficient authorised capital to cover the allotment of these shares.

I. The Board of Directors, at its meeting held on 7th February, 2014 has declared an interim dividend of ₹ 7.50/- and recommended final dividend of ₹ 1.00/- per equity share.

4. Reserve and Surplus

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
A. Securities premium account		
Opening balance	4,578.74	4,521.83
Add : Received during the year	72.02	53.45
Add : Transfer from employee stock option outstanding	3.69	3.46
Closing balance	4,654.45	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	3.69	3.46
	-	4.41
Less : Deferred employee compensation expenses	-	0.26
Closing balance	-	4.15
C. General reserve		
Opening balance	1,542.87	1,242.87
Add : Transfer from statement of profit and loss	334.00	300.00
Closing balance	1,876.87	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 (net)	965.50	570.75
Add : Changes in the fair value of the effective portion of outstanding cash flow hedges	(1,444.33)	(363.44)
Closing balance	(1,176.45)	(697.62)
E. Amalgamation reserve	2.88	2.88
F. Special Economic Zone Re-investment reserve		
Opening balance	-	-
Add : Transfer from statement of profit and loss	223.94	-
Closing balance	223.94	-
G. Balance in statement of profit and Loss		
Opening balance	3,822.01	3,129.17
Add : Profit for the year	3,339.66	2,856.03
	7,161.67	5,985.20
Less : Appropriations		
Transfer to Special Economic Zone Re-investment reserve	223.94	-
Interim dividend - equity	3,030.77	1,247.27
Proposed dividend - equity	300.27	355.85
Tax on dividend	568.86	260.07
Transfer to general reserve	334.00	300.00
Closing balance	2,703.83	3,822.01
Total	**8,285.52**	**9,253.03**

5. Deferred Tax Liabilities

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Deferred Tax Liabillities		
a. Depreciation	112.12	77.75
b. Deferred Cancellation loss relating to roll-over of Cash flow hedges	211.23	86.18
	323.35	163.93
Less: Deferred Tax Asset		
a. Employee Benefits	45.82	38.52
b. Provision Others	32.17	23.62
	77.99	62.14
Total	**245.36**	**101.79**

6. Other Long Term Liabilities

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Capital creditors	0.17	16.49
b. Liability for mark to market lossess on derivative contracts	-	59.74
Total	**0.17**	**76.23**

7. Other Current Liabilities

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Unearned revenues	11.17	28.67
b. Unclaimed dividend *	54.82	45.63
c. Other payables		
i. Employee related	156.98	148.92
ii. Statutory liabilities	91.41	111.32
iii. Deposit received for leased premises	-	28.32
iv. Capital creditors	104.82	121.07
v. For expenses	217.61	205.48
vi. For mark to market lossess on derivative contracts	40.86	158.29
Total	**677.67**	**847.70**

* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

8. Short Term Provisions

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. For employee benefits	43.64	39.58
b. Proposed dividend	2,552.27	355.85
c. Tax on proposed dividend	433.76	57.73
d. For tax (net of advance tax)	20.38	10.93
e. Others (Refer note no. 31)	133.01	169.82
Total	**3,183.06**	**633.91**

9. Fixed Assets

(₹ Million)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.01.2013	Additions	Deductions / Adjustments	As at 31.12.2013	As at 01.01.2013	For the Year	Deductions / Adjustments	As at 31.12.2013	As at 31.12.2013	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	3.44	-	23.96	306.48	309.92
Buildings	1,466.77	397.12	-	1,863.89	82.03	26.63	-	108.66	1,755.23	1,384.74
Plant and Machinery	1,066.60	157.77	94.81	1,129.56	736.29	121.49	94.69	763.09	366.47	330.31
Office Equipments	517.61	178.35	7.94	688.02	275.14	83.00	7.88	350.26	337.76	242.47
Furniture and Fixtures	430.63	46.87	35.34	442.16	259.37	33.93	35.39	257.91	184.25	171.26
Vehicles	28.40	3.72	12.36	19.76	25.97	1.77	12.36	15.38	4.38	2.43
Total	**3,840.60**	**783.83**	**150.45**	**4,473.98**	**1,399.32**	**270.26**	**150.32**	**1,519.26**	**2,954.72**	**2,441.28**
Previous Year	3,256.33	592.31	8.04	3,840.60	1,172.08	234.12	6.88	1,399.32	2,441.28	
ii) Intangible assets										
Software	176.74	33.28	-	210.02	105.76	40.04	-	145.80	64.22	70.98
Total	**176.74**	**33.28**	**-**	**210.02**	**105.76**	**40.04**	**-**	**145.80**	**64.22**	**70.98**
Previous Year	109.83	66.05	(0.86)	176.74	69.57	35.33	(0.86)	105.76	70.98	
iii) Capital work-in- progress (In respect of building under construction)									**212.47**	**756.76**
Grand Total	**4,017.34**	**817.11**	**150.45**	**4,684.00**	**1,505.08**	**310.30**	**150.32**	**1,665.06**	**3,231.41**	**3,269.02**
Previous Year	3,366.16	658.36	7.18	4,017.34	1,241.65	269.45	6.02	1,505.08	3,269.02	

Notes:

a) Land - Leasehold includes ₹ 90.00 million and ₹ 5.58 million (Previous Year ₹ 4.66 million) being lease premium and accumulated amortisation in respect of leasehold land alloted to the Company at Nagpur for which final lease agreement is being executed.

b) Plant and machinery includes Computer systems.

10. Non-Current Investments

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
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 ₹ 10/- each fully paid up in Caliber Point Business Solutions Limited	158.92	158.92
g. 1,000,000 shares of ₹ 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 ₹ 10/- each fully paid up in Rampran Infotech Limited (Closed during the year)	-	0.50
	2,004.94	2,005.44
Trade investments (unquoted) (at cost) - in others		
240,958 equity shares of ₹ 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**
Aggregate value of unquoted investments	2,009.52	2,010.02

11. Long Term Loans and Advances (Unsecured)

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Considered good		
a. Capital Advances	10.16	12.54
b. Security Deposits	72.65	39.12
c. Advance Income Tax and Fringe benefit Tax (net of provision for tax)	197.28	265.70
d. MAT Credit Entitlement	862.83	648.61
e. Other Loans and advances	62.71	41.52
Total	**1,205.63**	**1,007.49**

12. Other Non-Current Assets

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Interest accrued on deposits	0.72	8.17
b. Unbilled services	-	8.27
c. Non current bank balances		
Restricted bank balances	139.78	146.94
Total	**140.50**	**163.38**

13. Current Investments

(₹ Million)

Particulars	No. of Units	As at 31st December 2013	No. of Units	As at 31st December 2012
Investments in mutual funds (unit of ₹ 10/- each unless otherwise stated) (Unquoted) (at cost or fair value whichever is lower)				
Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - reinvestment (face value ₹ 100/-)	9,173,024	919.09	-	-
Birla Sun life floating Rate Fund - Short Term Plan-Daily Dividend Reinvestmnet (face value ₹ 100/-)	3,145,094	314.57	-	-
HDFC Liquid Fund -Direct Plan - Daily Dividend Reinvest	38,747,898	395.16	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend (face value ₹ 100/-)	4,345,986	434.83	-	-
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend (face value ₹ 100/-)	3,248,898	325.36	-	-
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend (face value ₹ 100/-)	3,996,300	400.15	-	-
JP Morgan India Liquid Fund - Direct Plan - Daily Dividend Reinvest	4,996,139	50.01	-	-
Kotak Floater Short Term - Daily Dividend reinvestment (face value ₹ 1000/-)	61,872	62.59	-	-
L & T Liquid Fund - Daily Dividend (face value ₹ 1000/-)	62,030	62.75	-	-
Tata Money Market Fund Direct Plan - Daily Dividend	36,660,330	367.16	-	-
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	-	-	23,917,490	252.54
Birla Sun life floating Rate Fund-STP-IP- Daily Dividend Reinvestmnet (Face value ₹ 100/-)	-	-	2,274,946	227.54
DSP Blackrock Liquidity Fund - Institutional Plan - Daily Dividend (Face value ₹ 1000/-)	-	-	50,028	50.04
HDFC Short Term Opportunity Fund - Dividend Reinvestment	-	-	25,182,075	252.85
ICICI Prudential Blended Plan B - Daily Dividend	-	-	31,105,418	311.79
Kotak Floater Short Term - Daily Dividend	-	-	30,530,679	308.85
Sundaram Money Fund Regular - Daily Dividend	-	-	19,814,869	200.04
Sundaram Ultra ST fund Super Institutional - Daily Dividend Reinvestment	-	-	19,694,059	197.67
Tempelton India ultra Short Term Bond Fund Super Institutional Plan-Daily Dividend Reinvestment	-	-	32,022,111	320.77
Templeton India Treasury Management Account Super Institutional Plan (Face value ₹ 1000/-)	-	-	227,590	227.74
Total		**3,331.67**		**2,349.83**
Aggregate value of unquoted investments.		3,331.67		2,349.83

14. Trade Receivables (Unsecured)

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Over six months from the due date		
Considered good	4.14	0.29
Considered doubtful	8.08	1.05
	12.22	1.34
Less: Provision for doubtful accounts	8.08	1.05
	4.14	0.29
b. Others		
Considered good	2,383.81	2,520.78
Considered doubtful	9.96	1.52
	2,393.77	2,522.30
Less: Provision for doubtful accounts	9.96	1.52
	2,383.81	2,520.78
Total	**2,387.95**	**2,521.07**

15. Cash and Cash Equivalents

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Balances with bank		
i. In current accounts	205.47	161.12
ii. Remittance in transit	-	60.70
iii. Bank deposits accounts with less than 3 months maturity	18.41	23.85
	223.88	245.67
b. Other bank balances		
i. Earmarked balances with banks	77.60	99.50
ii. Unclaimed dividend accounts	55.18	40.96
iii. Margin money	7.00	6.48
iv. Bank deposit accounts with more than 12 months maturity	248.50	350.00
v. Bank deposit accounts with more than 3 and upto 12 months maturity	702.50	-
	1,090.78	496.94
Total balances with bank	1,314.66	742.61
c. "AAA" rated demand deposits with financial institution	300.00	507.50
d. Less : Bank balances reclassifed as non current assets		
Restricted bank balances	(139.78)	(146.94)
	(139.78)	(146.94)
Total	**1,474.88**	**1,103.17**

16. Short Term Loans and Advances (Unsecured)

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Considered good		
i. Security deposits	4.22	79.37
ii. Loan and advance to related parties (Refer note no. 26)	239.33	203.04
iii. Other loans and advances (includes services tax receivable, prepaid expenses and employee advances)	275.30	315.76
	518.85	598.17
b. Considered doubtful		
Security deposits	35.98	33.23
Less : provision for doubtful deposits	35.98	33.23
	-	-
Total	**518.85**	**598.17**

17. Other Current Assets

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
a. Interest accrued on deposits	99.20	49.56
b. Unbilled services	253.88	52.40
Total	**353.08**	**101.96**

18. Other Income

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
a. Dividend from current investments	157.20	59.31
b. Dividend from subsidiary Company	-	46.67
c. Loss on sale / diminution in value of investments (net)	(7.19)	(1.42)
d. Interest income	165.28	265.20
e. Profit on sale of fixed assets (net)	2.06	0.47
f. Rental income	2.41	70.82
g. Miscellaneous income	13.47	17.47
Total	**333.23**	**458.52**

19. Software and Development Expenses

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
a. Consultant travel and related expenses	214.80	237.71
b. Software expenses*	310.53	345.89
Total	**525.33**	**583.60**
* includes subcontracting charges	172.29	198.33

20. Employee Benefits Expenses

(₹ Million)

Particulars		For the year ended 31st December 2013	For the year ended 31st December 2012
a.	Salaries and allowances	4,045.38	3,933.95
b.	Contribution to provident and other funds	218.75	261.12
c.	Staff welfare expenses	136.37	133.03
d.	Employee stock option compensation cost	(0.46)	0.73
	Total	**4,400.04**	**4,328.83**

21. Operations and Other Expenses

(₹ Million)

Particulars		For the year ended 31st December 2013	For the year ended 31st December 2012
a.	Rent	86.03	98.65
b.	Rates and taxes	18.83	28.36
c.	Travelling and conveyance expenses	213.11	209.57
d.	Electricity charges	135.52	141.94
e.	Communication expenses	111.91	91.82
f.	Repairs and maintenance		
	i. Building	20.32	10.14
	ii. Plant and Machinery	17.44	54.01
	iii. Others	79.01	32.58
		116.77	96.73
g.	Printing and stationery	14.51	13.32
h.	Auditors remuneration		
	i. Audit Fees	4.80	4.80
	ii. Tax Audit Fees	1.20	1.20
	iii. Certification work, taxation and other matter	2.67	2.74
		8.67	8.74
i.	Legal and professional fees	50.77	55.04
j.	Advertisement and publicity	0.72	0.30
k.	Seminar, conference and business promotion expenses	30.31	30.17
l.	Bank and other charges	3.89	4.07
m.	Directors' sitting fees	1.38	1.30
n.	Insurance charges	21.91	18.08
o.	Fixed assets written off	7.03	1.05
p.	Loss on closure of subsidiary company	0.05	-
q.	Debts and advances written off (net of recoveries) *	-	6.73
r.	Provision for doubtful accounts (net of write back) **	17.94	(5.40)
s.	Staff recruitment expenses	15.83	27.81
t.	Service charges	83.76	76.02
u.	Miscellaneous expenses #	15.11	12.76
	# includes stamp duty & filing fees, registrar and share transfer expenses, membership and subscription fees etc.		
	Total	**954.05**	**917.06**
*	net of recoveries	-	(0.07)
**	net of write back	(3.72)	(9.59)

22. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 222.33 million (Previous year ₹ 158.83 million)

23. Contingent Liabilities in respect of

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

b) Claims for taxes on income:

i. Where Company is in appeal

Income tax demands of ₹112.38 million have been raised in respect of assessments completed during the year, 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.

ii. Others:

During the previous year, the CIT (A) had passed an order in favour of the Company against demand of ₹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 ITAT during the year and the matter is in process.

24. Share Based Compensation (ESOP)

a) 67,500 (257,164) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively under Hexaware Technologies Limited – Employee Stock Option ('ESOP – 2002') ('the Plan') at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Remuneration and Compensation Committee ('Committee'). Each Option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The Options shall vest in four equal instalments or as determined at the discretion of the Committee. The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

b) In 2007 the shareholders of the Company approved the ESOP Scheme 2007 ('ESOP – 2007') under which such number of equity shares and or other instruments or securities could be granted not exceeding five percent of the issued equity shares of the Company as on the date of such grant. 2,735,525 (6,080,233) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Committee. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The options shall vest in four equal instalments or as determined at the discretion of the Committee. No options shall be granted under the scheme after 10th September, 2014 (closing date). The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

c) In 2008, the shareholders of the Company approved the ESOP Scheme 2008 ('ESOP – 2008') under which such number of equity shares and/ or other instruments or securities could be granted not exceeding two percent of the issued equity shares of the Company as on the date of such grant. 37,500 (115,179) Options is the balance outstanding as at 31st December, 2013 and 2012 respectively at an exercise price being the market price on the date of grant of Options or average closing price on the primary stock exchanges, whichever is higher in accordance with SEBI guidelines in force at the time of the grant or such price that may be determined by the Committee. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each and the term of option is seven years from the date of grant. The options shall vest in four equal instalments or as determined at the discretion of the Committee. No options shall be granted under the scheme after 23rd October, 2015 (Closing date). The particulars of options granted and lapsed under the Scheme are tabulated below under (d).

d) (i) The particulars of number of options granted and lapsed under the aforementioned Schemes are tabulated below

Particulars	ESOP - 2002		ESOP - 2007		ESOP - 2008		Total	
	Options (nos.)	Weighted avg. ex. Price per share(₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)	Options (nos.)	Weighted avg. ex. Price per share (₹)
Outstanding as at the beginning of the year	257,164	12.48	6,080,233	36.26	115,179	29.65	6,452,576	35.20
	(555,280)	(12.48)	(9,166,324)	(30.85)	(178,680)	(28.83)	(9,900,284)	(29.78)
Granted during year	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Excercised during the year	189,664	12.49	3,080,353	24.21	61,139	28.22	3,331,156	23.62
	(213,738)	(12.49)	(2,909,124)	(19.05)	(63,501)	(27.35)	(3,186,363)	(18.78)
Lapsed during the year	-	-	264,355	40.85	16,540	5.00	280,895	38.74
	(84,378)	(12.45)	(176,967)	(38.68)	(-)	(-)	(261,345)	(30.21)
Outstanding as at the year end	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)
Excercisable as at the year end	67,500	12.45	1,382,025	34.86	-	-	1,449,525	33.82
	(100,000)	(12.45)	(1,510,112)	(31.84)	(742)	(5.00)	(1,610,854)	(30.62)

Previous year figures are given in brackets.

(ii) The following table provides details in respect of range of exercise price and weighted average remaining contractual life (in months) for the options outstanding under above schemes as at 31st December, 2013:

Range of excercise price (₹)	As on 31st December 2013		As on 31st December 2012	
	Options	Weighted average remaining life	Options	Weighted average remaining life
5.00 - 13.30	807,000	27	3,423,703	39
30.70 - 42.85	347,000	39	610,500	53
51.98 - 79.85	1,686,525	52	2,418,373	64
Total	**2,840,525**		**6,452,576**	

(iii) The movement in deferred Employee Compensation Expense during the year is as follows:

(₹ Million)

Particulars	Year 2013	Year 2012
Balance at the beginning of the year	0.26	1.44
Less: Amortisation for the year	(0.46)	0.73
Less: Reversal due to forfeiture	0.72	0.45
Balance carried forward	**-**	**0.26**

e) The Company has followed the Intrinsic Value-based method of accounting for stock options granted after 1st January, 2006 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. 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, the Company's net income would be lower by ₹ 14.05 million (Previous year lower by ₹ 38.03 million) and earnings per share as reported would be lower as indicated below:

Particulars	Year 2013	Year 2012
Basic Earnings per share		
As reported (in ₹)	11.19	9.66
Adjusted (in ₹)	11.14	9.54
Diluted Earnings per share		
As reported (in ₹)	11.09	9.50
Adjusted (in ₹)	11.04	9.37

The Company has followed Black Scholes option pricing model to determine fair value of stock options.

25. The Provision for current income tax is aggregate of the balance tax for three months ended March 31, 2013 based on the returned income for the year ended March 31, 2013 and the provision based on the taxable income for the remaining nine months up to December 31, 2013, the actual tax liability, for which, will be determined on the basis of the results for the year ending March 31, 2014.

26. Related party disclosures

The Company has entered into transactions with the following parties.

Name of the Related Parties	Country
Ultimate Holding Company and It's Subsidiaries	
Baring Private Equity Asia GP V. LP	Cayman Island
The Baring Asia Private Equity Fund V, LP	Cayman Island
Baring Private Equity Asia V Maritius Holidng (4) Limited	Mauritius
Parel Investment Holdings Limited	Mauritius
Holding Company	
HT Global IT Solutions Holdings Limited	Mauritius
Subsidiaries	
Hexaware Technologies Inc.	United States of America
Hexaware Technologies UK Ltd.	United Kingdom
Hexaware Technologies Asia Pacific Pte. Ltd.	Singapore
Hexaware Technologies GmbH.	Germany
Hexaware Technologies Canada Ltd.	Canada
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 #	Brazil
Rampran Infotech Ltd. *	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	
Ms Kala Ramanan - Relative of Key Management Personnel - w.e.f. 16th May 2013.	
* Company name striked off from Registrar of Compnay w.e.f 23rd May 2013 .	
# Subsidiary of Hexaware Technoloigies UK Ltd	

Transactions with parties are:

(₹ Million)

Particulars	Name of the Related party and Nature of Relationship	For the year ended 31st December 2013	For the year ended 31st December 2012
Loans repaid during the year	Subsidiaries		
	Caliber Point Business Solutions Limited	-	82.50
Capital Reduction in Subsidiary	Subsidiaries		
	Hexaware Technologies UK Ltd.	-	64.23
Software and consultancy income	Subsidiaries		
	Hexaware Technologies Inc.	3,976.20	3,529.93
	Hexaware Technologies GmbH.	656.94	570.74
	Others	730.08	532.33
		5,363.22	4,633.00
Software and development expenses	Subsidiaries		
-Sub-contracting charges	Hexaware Technologies Inc.	91.31	133.34
	Caliber Point Business Solutions Limited	12.25	-
	Others	9.20	14.31
		112.76	147.65

(₹ Million)

Particulars	Name of the Related party and Nature of Relationship	For the year ended 31st December 2013	For the year ended 31st December 2012
Interest and other income	Subsidiaries		
	Caliber Point Business Solutions Limited	-	4.14
Dividend income	Subsidiaries		
	Hexaware Technologies UK Ltd.	-	46.67
Reimbursement of cost to	Subsidiaries		
	Hexaware Technologies Inc.	1.16	11.43
	Hexaware Technologies UK Ltd.	24.65	19.30
	Hexaware Technologies Asia Pacific Pte Ltd.	8.40	18.37
	Others	0.31	0.12
		34.52	49.22
Receiving of services	Remuneration to Key Management Personnel		
	R.V. Ramanan	28.88	26.87
	Subsidiaries		
	Caliber Point Business Solutions Limited	9.45	4.70
Recovery of cost / advances from	Subsidiaries		
	Hexaware Technologies Inc.	381.84	351.57
	Hexaware Technologies UK Ltd.	100.24	80.90
	Others	46.93	26.15
		529.01	458.62
Guest House Rent	Relative of Key Management Personnel		
	Ms Kala Ramanan	0.70	-

Note: For transactions in excess of 10% of the total related party transactions, partywise details provided.

Outstanding balances with Subsidiaries

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Investment in Equity	2,004.94	2,005.44
Receivable towards software and Consultancy Income	1,582.66	1,640.42
Advances	239.33	203.04
Payable towards services and reimbursement of cost	1,395.84	1,221.09

There are no loans and advances in the nature of loans required to be disclosed as per clause 32 of the listing agreement during the current and the previous year.

27. Earnings per Share (EPS)

The components of basic and diluted earnings per share were as follows.

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
Net profit after tax (₹ Million)	3,339.66	2,856.03
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,503,477	295,531,683
Basic Earnings per share : (in ₹)	11.19	9.66
Weighted average outstanding equity shares considered for basic EPS (Nos.)	298,503,477	295,531,683
Add : Effect of dilutive issue of stock options (including share application money received on exercise of options) (Nos.)	2,648,830	5,253,564
Weighted average outstanding equity shares considered for diluted EPS (Nos.)	301,152,307	300,785,247
Diluted Earnings per share : (in ₹)	11.09	9.50

28. Employee benefit plans

i) Provident Fund and Superannuation Fund:

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. The Company pays a part of the contributions to Hexaware Technologies Limited Employees Provided Fund Trust (the 'Trust'). The remaining portion of Company's contribution is contributed to the Government administered employee 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 2013.

Particulars	As at 31st December 2013	As at 31st December 2012
Present value of benefit obligation (₹ Million)	1,528.62	1,283.38
Fair value of plan assets (₹ Million)	1,528.62	1,283.38
Expected Investment Return	8.71%	9.13%
Remaining term of maturities	8.21 Years	7.55 Years
Expected guaranted interest rates	8.75%	8.25%

Certain employees of the Company are entitled to benefits under superannuation, 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 recognised such contributions as an expense when incurred and has no further obligation to the plan beyond their contributions.

The amounts recognized as expenses towards contributions to provident fund and other funds, superannuation funds by the Company are ₹ 189.85 million (Previous year ₹ 177.21 million) and ₹ 6.56 million (Previous year ₹ 7.95 million) respectively for the year ended 31st December, 2013.

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 year 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 2013.

(₹ Million)

Particulars	Year 2013	Year 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**323.46**	**251.78**
Current Service Cost	69.31	55.69
Interest Cost	30.81	25.32
Actuarial losses / (gains)	(60.53)	3.35
Benefits paid	(13.97)	(12.68)
Closing Defined Benefit Obligation	**349.08**	**323.46**
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**197.71**	**154.08**
Expected Return on Plan Assets	16.82	13.42
Actuarial gains	4.12	1.75
Contribution by Employer	77.50	41.14
Benefits paid	(13.97)	(12.68)
Closing Fair Value of Plan Assets	**282.18**	**197.71**
Net Liability as per Actuarial Valuation	**66.90**	**125.75**
Expense for the year		
Current Service Cost	69.32	55.69
Interest on Defined Benefit Obligation	30.81	25.32
Expected Return on Plan Assets	(16.82)	(13.42)
Actuarial losses / (gains)	(64.65)	1.60
Total Included in Employment Expenses	**18.66**	**69.19**
Actual Return on Plan Assets	20.95	15.17
Category of Assets as on December 31, 2013 (Insurer Managed Fund)	**282.18**	**197.71**

Other details (₹ Million)

Particulars	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09
Defined Benefit Obligation	349.08	323.46	251.78	223.95	195.08
Plan Assets	282.19	197.71	154.08	143.95	108.33
Surplus / (Deficit)	(66.89)	(125.75)	(97.70)	(80.00)	(86.75)
Experience Adjustment on Plan Liabilities	(31.71)	(17.82)	(4.20)	(18.36)	(19.00)
Experience Adjustment on Plan Assets	4.12	1.75	0.61	2.61	(0.80)

The Company is expected to contribute ₹ 70 million to gratuity fund for the year ended 31st December 2014.

Financial assumptions at the valuation date

Particulars	Year 2013	Year 2012
Discount rate	9.15%	8.10%
Rate of increase in compensation levels of covered employees **	10% for first year and 7.5% thereafter	10% for first year and 7.5% thereafter
Expected Rate of Return on Plan assets (*)	8.00%	8.00%

*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, since the fund is managed by LIC.

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

Asset allocations

Since the investments are held in the form of deposit with 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.

29. The Company takes on lease office space and accommodation for its employees under various operating leases. The lease rentals towards non- cancellable agreement recognised in the statement of Profit and Loss for the year is ₹ 55.32 million (Previous Year ₹ 33.83 million).

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

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Not later than one year	46.28	37.89
Later than one year but not later than five years	9.16	156.22
Total	**55.44**	**194.11**

Non-cancellable rentals income recognised in the statement of profit and loss on account of leasing of premises is ₹ 2.16 million (Previous year ₹ 18.52 million).

30. Derivative Instruments

(a) Forward exchange contracts to Sell US Dollar 162.56 million and Sell Euro 9.33 million (Previous Year US Dollar 200.98 million and Sell Euro 13.96 million) are outstanding as of 31st December, 2013.

Fair value net loss of the derivative instruments identified as cash flow hedges is ₹ 40.86 million (Previous Year of ₹ 218.03 million) as at31st December, 2013.

Net loss of ₹ 1,176.45 million recognized in Hedging Reserve as of 31st December 2013 is expected to be classified to Statement of Profit and loss over two years.

b) As of the balance sheet date the Company has the net receivable foreign currency exposure that are not hedged by a derivative instrument or otherwise amounting to ₹ 74.45 million (Previous Year ₹ 417.85 million).

31. "Provision others" includes provisions towards expenditure relating to employee benefit obligations oncontract acquisition (also in respect of fixed assets in previous year), the outflow for which is expected in the next year.

(₹ Million)

Particulars	As at 31st December 2013	As at 31st December 2012
Provision at the beginning of the year	169.82	279.46
Provision made during the year	-	8.35
Paid /Adjusted during the year	36.81	117.99
Povision at the end of the year	**133.01**	**169.82**

32. CIF value of Imports

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
Capital Goods	47.45	102.30

33. Expenditure in Foreign Currency (Including expenses in foreign branches)

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
Foreign travelling expenses	41.98	54.07
Software Development Expenses	278.88	362.92
Employment Expenses	337.46	292.04
Rent	9.79	10.21
Business promotion, seminar and conference expenses	4.83	9.29
Legal and professional charges	12.20	15.18
Communication expenses	3.05	3.11
Foreign Taxes	0.09	0.89
Miscellaneous	10.70	8.64

34. Remittance in Foreign currency on account of dividend

The Company has paid dividend in respect of shares held by non – residents on repatriation basis. This inter-alia includes portfolio investment and direct Investment, where the amount is also credited to non- resident external Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in foreign currency in this respect is given herein below:

Particulars	Final Dividend - 2012 (Final Dividend - 2011)	Interim Dividend- Q1,13 (Interim Dividend- Q1,12)	Interim Dividend- Q2,13 (Interim Dividend- Q2,12)	- (Interim Dividend- Q3,12)
Net amount remitted (₹ million)	2.80	3.02	3.13	NA
	(3.36)	(3.41)	(3.44)	(2.65)
No. of shares by non resident shareholders	2,331,419	2,518,023	2,233,552	NA
	(2,245,588)	(2,270,464)	(2,293,679)	(2,206,501)
Year to which dividend relates	2012	2013	2013	NA
	(2011)	(2012)	(2012)	(2012)
No. of non resident shareholders	1,105	1,095	964	NA
	(685)	(723)	(743)	(801)

35. Earnings in foreign currency

(₹ Million)

Particulars	For the year ended 31st December 2013	For the year ended 31st December 2012
Income from software solutions and consulting services	9,977.96	8,871.15
Interest Income	0.46	0.20

36. There are no dues to micro and small enterprises under MSMED Act, 2006 as at the year end.

37. Segments

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same annual report. Accordingly, in terms of the provisions of Accounting Standard (AS 17) "Segment Reporting", no disclosures related to segments are presented in these stand-alone financial statements.

38. 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)

P. R. Chandrasekar
(Vice Chairman & Global CEO)

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

Jimmy Mahtani
(Director)

Kosmas Kalliarekos
(Director)

Dileep Choksi
(Director)

Place : Mumbai
Date : February 7, 2014

Bharat shah
(Director)

Rajesh Kanani
(Chief Financial Officer)

Gunjan Methi
(Company Secretary)

Contact us

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and 43 in Village Khapri & Dahegoan
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Caliber Point Business Solutions Ltd
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Coimbatore
Caliber Point Business Solutions Ltd
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Puliyakulam Road, Sungam Junction,
Opp Carmel Garden School,
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NOTES

HEXAWARE TECHNOLOGIES
YOUR SUCCESS IS OUR FOCUS

HEXAWARE TECHNOLOGIES LIMITED

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710

PROXY FORM

REGD. FOLIO NO.	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I/We____s/o, w/o, d/o_________________________________
residing at____
____ being member/member(s) of Hexaware Technologies Limited hereby appoint Mr./Ms.____ residing at _____________
____ or failing him/her Mr./Ms. ____________
__________________________ residing at ____
_______________________ as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Members of Hexaware Technologies Limited to be held on Friday, the 25th day of April, 2014 at 3.30 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, Behind Prince of Wales Museum/Kala Ghoda, Mumbai-400 001 and at any adjournment thereof.

Signed this _____________________ day of __________________, 2014

Affix
₹1/-
Revenue
Stamp

Signature
(Please sign across the Stamp)

Note: This form in order to be valid should be duly stamped, completed and signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

HEXAWARE TECHNOLOGIES LIMITED

Registered Office: 152, Millennium Business Park, Sector III, 'A' Block, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710

ATTENDANCE SLIP

REGD. FOLIO NO.	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a Registered Shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty-First Annual General Meeting of the Members of Hexaware Technologies Limited held on Friday, the 25th day of April, 2014 at 3.30 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubhash Marg, Behind Prince of Wales Museum/Kala Ghoda, Mumbai-400 001 and at any adjournment thereof.

______________________________ ______________________________

Member's/ Proxy's name in BLOCK letters Member's/ Proxy's signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over the same at the entrance of the meeting Hall.)

Corporate Information

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Statutory Auditors
M/s. Deloitte Haskins & Sells LLP
Chartered Accountants, Mumbai

Internal Auditors
KPMG, Mumbai

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Company Secretary
Mrs. Gunjan Methi

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Hexaware
TECHNOLOGIES
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FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	***Hexaware Technologies Limited***
2	Annual financial statements for the year ended (standalone and consolidated)	***December 31, 2013***
3	Type of Audit observation	Un-qualified
4	Frequency of observation	***NA***
5	To be signed by- ☐ CEO/Managing Director ☐ CFO ☐ Audit Committee Chairman Auditor of the company.	ARC → → Refer our Audit Reports dated 7 Feb 2014

on the standalone and consolidated financial statements of the company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn. No. 117366W/ W-100018

R. D. Kamat
Partner
Membership No. 036822
- 1 APR 2014

Regd. office : Hexaware Technologies Ltd.,#152, Millennium Business Park, Sector-III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai- 400 710. India. Tel.: 91-22-6791 9595 Fax : 91-22-6791 9500
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