



**Independent Auditor's Report**

**To the Board of Directors of Hexaware Technologies Romania SRL**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Hexaware Technologies Romania SRL ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> December, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Financial Reporting as specified under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.



# K.S. Bhatia & Co.

## *Chartered Accountants*

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

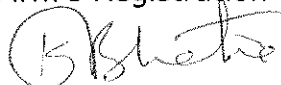
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> December, 2017 and financial performance including total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

*for K. S. Bhatia & Co.*

*Chartered Accountants*

Firm's Registration Number: 114520W



**Kaushik Bhatia**

*Partner*

Membership Number: 046908

Mumbai, 01-02-2018

**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**BALANCE SHEET AS AT DECEMBER 31, 2017**

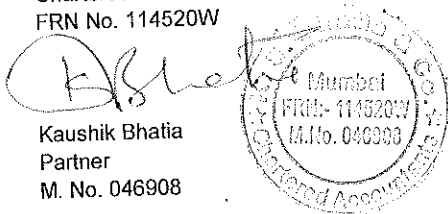
(RON)

	Note	December 31, 2017	December 31, 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Properly, plant and equipment	4	1,530,069	-
Capital Work In Progress		-	1,199,255
Financial Assets	5	572,921	567,338
- Other financial assets		2,102,990	1,766,593
<b>Total non-current assets</b>			
<b>Current assets</b>			
Financial Assets	7	116,305	113,468
- Cash and cash equivalents	6	556	379,915
Other assets		116,861	493,383
<b>Total current assets</b>			
		<b>2,219,851</b>	<b>2,259,976</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share capital	9	112,500	112,500
Other Equity		(2,683,899)	(131,544)
<b>Total equity</b>		<b>(2,571,399)</b>	<b>(19,044)</b>
<b>Current liabilities</b>			
Financial Liabilities		4,768,301	1,999,981
- Trade payables	8	8,500	279,039
- Other financial liabilities			
Provisions		14,449	-
- Employee benefit obligations		4,791,250	2,279,020
<b>Total current liabilities</b>			
		4,791,250	2,279,020
<b>Total liabilities</b>			
		<b>2,219,851</b>	<b>2,259,976</b>
<b>Total equity and liabilities</b>			

Notes 1 to 19 form an integral part of the financial statements

As per our report of even date

For K.S. Bhatia & Co.  
Chartered Accountants  
FRN No. 114520W



Kaushik Bhatia  
Partner  
M. No. 046908

Place : Mumbai  
Date : 01-02-2018

For and on behalf of the Board

Amrinder Singh  
Director


**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**STATEMENT OF PROFIT AND LOSS**

		(RON)
	For year ended December 31, 2017	For year ended December 31, 2016
<b>INCOME</b>		
Revenue from information technology and consultancy services		-
<b>EXPENSES</b>		
Employee benefits expense	10 359,230	132,378
Operation and Other Expenses	11 1,771,366	(834)
Exchange Rate difference (net)	133,232	-
Depreciation and amortization expense	288,527	-
<b>Total Expenses</b>	<b>2,552,355</b>	<b>131,544</b>
<b>Loss for the Year</b>	<b>(2,552,355)</b>	<b>(131,544)</b>
<b>Basic Earnings per share (In RON)</b>		
Basic and Diluted	12 (226.88)	(11.69)

Notes 1 to 19 form an integral part of the financial statements

As per our report of even date

For K.S. Bhatia & Co.  
Chartered Accountants  
FRN No. 114520W

  
Kaushik Bhatia  
Partner  
M. No. 046908

Place : Mumbai

Date : 02-02-2018



For and on behalf of the Board



Amrinder Singh  
Director

**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share Capital**

	As at January 1, 2017	Changes during the year	Amount in RON As at December 31, 2017
	112,500	-	112,500

	As at January 1, 2016	Changes during the year	As at December 31, 2016
	-	112,500	112,500

**B. Other Equity**

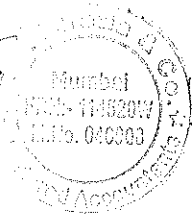
	Reserves and Surplus Retained Earnings	Total
Balances as at January 1, 2017	(131,544)	(131,544)
Loss for the year	(2,552,355)	(2,552,355)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(2,552,355)</b>	<b>(2,552,355)</b>
<b>As at December 31, 2017</b>	<b>(2,683,899)</b>	<b>(2,683,899)</b>
Balances as at January 1, 2016	-	-
(Loss) for the year	(131,544)	(131,544)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(131,544)</b>	<b>(131,544)</b>
<b>As at December 31, 2016</b>	<b>(131,544)</b>	<b>(131,544)</b>

Notes 1 to 19 form an integral part of the financial statements

As per our report of even date

For K.S. Bhatia & Co.  
 Chartered Accountants  
 FRN No. 114520W

*K. Bhatia*  
 Kaushik Bhatia  
 Partner  
 M. No. 046908



Place : Mumbai  
 Date : 01-02-2018

For and on behalf of the Board

*Amrinder*  
 Amrinder Singh  
 Director

HEXAWARE TECHNOLOGIES ROMANIA SRL  
 CASH FLOW STATEMENT FOR YEAR ENDED DECEMBER 31, 2017

(RON) (RON)  
 For Year ended

	December 31, 2017	December 31, 2016
<b>Cash Flow from operating activities</b>		
Net (loss) before tax	(2,552,355)	(131,544)
<b>Adjustments for:</b>	288,527	-
Depreciation and amortization expense	(2,263,828)	(131,544)
<b>Operating profit before working capital changes</b>		
<b>Adjustments for:</b>	373,777	(947,253)
Trade and other receivables	2,512,228	2,279,020
Trade and other payables	622,177	1,200,223
<b>Cash generated from operations</b>	-	-
Direct Taxes Paid (net)	622,177	1,200,223
<b>Net cash from operating activities</b>		
<b>Cash flow from investing activities</b>		
Purchase of property, plant & equipment	(619,340)	(1,199,255)
<b>Net cash (used in) investing activities</b>	(619,340)	(1,199,255)
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	112,500
<b>Net cash (used in) financing activities</b>		112,500
<b>Net Increase in cash and cash equivalents</b>	2,837	113,468
Cash and cash equivalents at the beginning of the year	113,468	-
<b>Cash and cash equivalents at the end of the year (Refer note. 7)</b>	<b>116,305</b>	<b>113,468</b>

As per our report of even date

For K.S. Bhatia & Co.  
 Chartered Accountants  
 FRN No. 114520W

*K. Bhatia*

Kaushik Bhatia  
 Partner  
 M. No. 046908



Place : Mumbai  
 Date : 01-02-2018

For and on behalf of the Board

*Amrinder Singh*

Amrinder Singh  
 Director

**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 Corporate Information**

Hexaware Technologies Romania SRL, incorporated on 28th September 2016 under the laws of Romania, is a subsidiary of Hexaware Technologies UK Limited. These Financial Statement have been prepared & audited for purpose of consolidation with the holding company.

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, consumer and services. The various service offerings comprise application development and management, enterprise package solutions, infrastructure management, business intelligence and analytics, business process, digital assurance and independent testing.

**2 Significant Accounting Policies**

**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from January 1, 2017. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS.

**2.2 Basis of Preparation**

These financial statements are prepared on historical cost basis, except for certain financial instruments which are measured at fair value and to the extent possible are, in same format as that adopted by the holding company for its separate financials.

**2.3 Critical accounting judgements and key source of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

Key source of estimation uncertainty which may cause material adjustments:

**2.3.1 Revenue recognition**

The company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date and can be reasonable estimated.

**2.3.2 Others**

Others areas involving estimates relates to provision for the doubtful debts, and useful lives of Property Plant & Equipment.

**2.4 Revenue Recognition**

Revenue is measured at fair value of consideration received or receivable.

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.

In case of fixed price contracts, revenue is recognized using percentage of completion method. The Company uses the efforts expended to date as a proportion to the total efforts to be expended as a basis to measure the degree of completion. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

Amount received or billed in advance of services performed are recorded as unearned revenue.

Unbilled services represents revenue recognized based on services performed in advance of billing in accordance with contract terms.

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

Revenue is reported net of discount and indirect taxes.

**2.5 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**a) Finance Lease**

Assets taken on finance lease are capitalised at lower of present value of the minimum lease payments and the fair value and liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability so as to achieve a constant rate of interest on the remaining balance of liability.

**b) Operating Leases**

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the lease term unless the payment to the lessor are structured to increase in line with expected general inflation.

**2.6 (a) Functional and presentation currency**

The local accounts are maintained in local and functional currency, which is Romanian Lei (RON)

**(b) Foreign currency**

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rate prevailing on the date of the Balance Sheet. The resulting exchange difference on such restatement and settlement is recognized in the profit or loss except exchange differences on transactions entered into in order to hedge certain foreign currency risk.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the of Balance Sheet. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.7 Borrowing Cost**

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the profit or loss.



**2.8 Employee Benefits**

**a) Post-employment benefits and other long term benefit plan**

Payments to defined contribution retirement schemes viz. contribution to the Federal pension plans are expensed as incurred.

**b) Short term employee benefit**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year, statutory employee profit sharing and bonus payable.

**2.9 Taxes on Income**

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount expected to be paid or recovered from the domestic and overseas tax authorities using enacted or substantively enacted tax rates.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax assets and liabilities are not recognised when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit at the time of the transaction.

Advance taxes and provisions for current income taxes as well as deferred tax assets and liabilities are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

**2.10 Property, plant and equipment (PPE)**

PPE are stated at cost of acquisition less accumulated depreciation (other than freehold land) and impairment loss, if any.

**Depreciation**

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

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Office Equipment	5 years
Furniture and Fixtures	8 years

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

**2.11 Impairment**

**a) Financial assets (other than at fair value)**

The Company assesses at each balance sheet date, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**b) Non-financial assets- Tangible assets**

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs or allocated. Impairment loss is charged to the profit or loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**2.12 Provisions**

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event for which reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows; unless the effect of time value of money is immaterial.





**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.13 Non derivative financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Financial assets and financial liabilities – subsequent measurement**

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

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial liabilities**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

**Share capital**

**Equity shares**

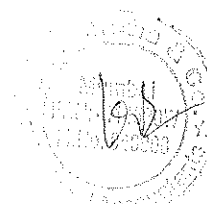
Incremental costs directly attributable to the issue of equity shares, net of any tax effects, are recognised as a deduction from equity.

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

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3 First-time adoption of Ind AS**

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended December 31, 2017 and comparative financial statements for the year ended December 31st 2016. There were no reconciliation items in Balance sheet, statement of Profit and loss and Cash flow statement reported in Previous GAAP in comparison with Ind AS.



**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**4 Property, Plant and Equipment (PPE)**  
PPE consist of the following:

	<u>Plant and Machinery</u>	<u>Furniture and Fixtures</u>	<u>Office Equipment</u>	<u>Electrical Fittings &amp; Equipment</u>	<u>Curr: RON Total</u>
<b>COST</b>					
At January 1, 2017	-	-	-	-	-
Additions	279,462	853,919	510,701	174,513	1,818,595
Disposals	-	-	-	-	-
Translation exchange difference	-	-	-	-	-
At December 31, 2017	<u>279,462</u>	<u>853,919</u>	<u>510,701</u>	<u>174,513</u>	<u>1,818,595</u>
<b>ACCUMULATED DEPRECIATION</b>					
At January 1, 2017	-	-	-	-	-
Charge for the year	84,254	100,306	83,467	20,499	288,526
Disposals	-	-	-	-	-
Translation exchange difference	-	-	-	-	-
At December 31, 2017	<u>84,254</u>	<u>100,306</u>	<u>83,467</u>	<u>20,499</u>	<u>288,526</u>
<b>NET CARRYING AMOUNT</b>					
At December 31, 2017	<u>195,208</u>	<u>753,613</u>	<u>427,234</u>	<u>154,014</u>	<u>1,530,069</u>

Note:

i) Plant and machinery includes computer systems



HEXAWARE TECHNOLOGIES ROMANIA SRL  
NOTES TO THE FINANCIAL STATEMENTS

5 Other financial assets (unsecured) (considered good)  
Non-current

	<u>December 31, 2017</u>	Curr: RON <u>December 31, 2016</u>
Security deposits for premises and others	567,338	567,338
Employee advances	5,583	-
	<u>572,921</u>	<u>567,338</u>

6 Other assets (unsecured)  
Current

	<u>December 31, 2017</u>	Curr: RON <u>December 31, 2016</u>
Prepaid Expenses	556	-
Prepaid Rent Expenses	-	95,157
Indirect taxes recoverable	-	284,758
	<u>556</u>	<u>379,915</u>

7 Cash and cash equivalents

	<u>December 31, 2017</u>	Curr: RON <u>December 31, 2016</u>
In current accounts with banks	116,305	113,468
	<u>116,305</u>	<u>113,468</u>

8 Other financial liabilities

Current

	<u>December 31, 2017</u>	Curr: RON <u>December 31, 2016</u>
Capital creditors	-	276,039
Accrued expenses	8,500	3,000
	<u>8,500</u>	<u>279,039</u>



**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

Curr: RON

**9 Equity Share Capital**

**9.1 Authorised capital**

11,250 Equity shares of RON 10/- each

112,500

**9.2 Issued, subscribed and paid-up capital**

11250 EQUITY SHARES OF RON 10/- EACH FULLY PAID

December 31, 2017	December 31, 2016
Amount in RON	Amount in RON
112,500	112,500

**9.3 Reconciliation of number of shares:**

Shares outstanding at the beginning of the year

Shares issued during the year

Shares outstanding at the end of the year

December 31, 2017	December 31, 2016
11,250	-
-	11,250
11,250	11,250

**9.4 Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of RON 10 each. Each shareholder is eligible for one vote per share held.

**9.5 Details of shares held by shareholders holding more than 5% shares**

Name of Shareholder	December 31, 2017		December 31, 2016	
	Nos. of Shares held	% of holding	Nos. of Shares held	% of holding
Hexaware Technologies UK Limited	10,125	90 %	10,125	90 %
Hexaware Technologies GmbH	1,125	10 %	1,125	10 %
	11,250	100 %	11,250	100 %



HEXAWARE TECHNOLOGIES ROMANIA SRL  
NOTES TO THE FINANCIAL STATEMENTS

10 Employee benefits expense	For year ended December 31, 2017	Curr: RON For year ended December 31, 2016
Salary and allowances	290,062	-
Contribution to provident and other funds	62,127	-
Staff welfare expenses	7,041	-
	<u>359,230</u>	<u>-</u>

11 Operation and Other Expenses	For year ended December 31, 2017	Curr: RON For year ended December 31, 2016
Rent	1,395,584	123,056
Travelling and conveyance	4,419	-
Electricity charges	72,219	9,322
Communication expenses	16,689	-
Repairs and maintenance	41,305	-
Printing and stationery	21,658	-
Legal and professional fees	111,850	-
Advertisement and business promotion	1,458	-
Staff recruitment expenses	51,113	-
Service charges	38,079	-
Seminar And Conference Expenses	16,992	-
	<u>1,771,366</u>	<u>132,378</u>



**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12 Earnings per share**

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

	For year ended	
	December 31, 2017	December 31, 2016
Net loss after tax (In RON)	(2,552,355)	(131,544)
Weighted average outstanding equity shares considered for basic EPS (Nos.)	11,250	11,250
Basic and diluted earnings per share (In RON)	(226.88)	(11.69)

**13 Related party disclosures**

**(a) Names of related parties and description of relationship:**

**Ultimate Holding Company and it's subsidiaries**

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

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

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

HT Global IT Solutions Holdings Limited, India

Hexaware Technologies Limited, India

**Holding Company**

Hexaware Technologies UK Limited, UK

**Fellow Subsidiaries**

Hexaware Technologies GmbH, Germany

**Key Management Personnel**

Mr Amrinder Singh

**(b) Related Party Transactions:**

Sr No	Particulars	Nature of relationship	For Year ended	
			31st December 2017	31st December 2016
			RON	RON
1	<b>Expenditure:</b>			
	Reimbursement of Costs	Holding Company	3,037,761	1,730,538
2	<b>Share Capital:</b>			
	Issue of Shares	Holding Company	-	101,250
		Fellow subsidiary	-	11,250

**(c) Outstanding Balances:**

Sr No	Particulars	Nature of relationship	As at	
			31st December 2017	December 31, 2016
			RON	RON
1	Sundry Creditors	Holding Company	4,768,299	1,730,538



**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14 Financial Instruments**

**14.1 Financial Instruments by category**

The carrying value / fair value of financial instruments by categories is as follows:

				Curr: RON
December 31, 2017	Amortised Cost	Fair value through other comprehensive income	Fair value through Profit & Loss	Total carrying / fair value
Cash and cash equivalents	116,305	-	-	116,305
Other financial assets	572,921	-	-	572,921
	<u>689,226</u>			<u>689,226</u>
Trade payables	4,768,301	-	-	4,768,301
Other financial liabilities	8,500	-	-	8,500
	<u>4,776,801</u>			<u>4,776,801</u>

				Curr: RON
December 31, 2016	Amortised Cost	Fair value through other comprehensive income	Fair value through Profit & Loss	Total carrying / fair value
Cash and cash equivalents	113,468	-	-	113,468
Other financial assets	567,338	-	-	567,338
	<u>680,806</u>			<u>680,806</u>
Trade payables	1,999,981	-	-	1,999,981
Other financial liabilities	279,039	-	-	279,039
	<u>2,279,020</u>			<u>2,279,020</u>



14 Financial Instruments (Cont'd)

14.2 Financial risk management

The Company has identified the risks under verticals like foreign currency fluctuation risk and liquidity risk. The Company has formulated policies, procedures and strategies for managing risks which is affirmed by management, after consultation with all business units, functions and department heads.

(i) Foreign Currency fluctuations Risk

Foreign exchange fluctuations are one of the key risks impacting our business. The company's transactions are predominantly in RON and incurs foreign currency risk on transactions that are denominated by currency other than RON such as EUR, GBP etc. The company do not hedge any currency exposures.

The following table analyses foreign currency risk from financial instruments as at December 31, 2017:

	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Others*</u>	Curr: RON
Net financial assets	-	116,305	-	-	-
Net financial liabilities	-	4,768,299	-	-	-
Net assets/(liabilities)	-	(4,651,994)	-	-	-

The following table analyses foreign currency risk from financial instruments as at December 31, 2016:

	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Others*</u>	Curr: RON
Net financial assets	-	113,468	-	-	-
Net financial liabilities	-	1,730,538	-	-	-
Net assets/(liabilities)	-	(1,617,070)	-	-	-

10% depreciation /(appreciation) of the respective foreign currencies with respect to functional currency of the Company would result in the increase/ (decrease) in Company's loss approximately by RON 465,199 and RON 161,707 for the year ended December 31, 2017 and December 31, 2016 respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.





14 Financial Instruments (Cont'd)

(ii) Liquidity risk

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

Over the years, the Company has increased its liquidity position by maintaining high cash / bank balances.

As at December 31, 2017, the Company had total cash / bank balance and investments of RON 116,305 which constitutes approximately 5% of total assets. The Company does not have any debt and thus manages its liquidity requirements through funds generated from operations.

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

	Curr: RON		
<u>As at December 31, 2017</u>	<u>Less than 1</u> <u>year</u>	<u>1-2 years</u>	<u>Total</u>
Trade payables	4,768,299	-	4,768,299
Others (Refer note 8)	8,500	-	8,500
<b>Total</b>	<b>4,776,799</b>	<b>-</b>	<b>4,776,799</b>

	Curr: RON		
<u>As at December 31, 2016</u>	<u>Less than 1</u> <u>year</u>	<u>1-2 years</u>	<u>Total</u>
Trade payables	1,999,981	-	1,999,981
Others (Refer note 8)	279,039	-	279,039
<b>Total</b>	<b>2,279,020</b>	<b>-</b>	<b>2,279,020</b>

(iii) Interest rate risk

The Company does not have any debt. Hence, the Company is not significantly exposed to interest rate risk.



**HEXAWARE TECHNOLOGIES ROMANIA SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**

15 The Company recognized RON 61,470 (Previous Year RON-NIL) for Social security and pension contributions in profit and loss account. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

16 The Company takes on lease office space and accommodation for its employees under various operating leases. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year is RON 1395,584 (December 31, 2016 RON 123,056)

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

Particulars	Curr: RON	
	December 31, 2017	December 31, 2016
Not later than one year	1,136,363	1,146,585
Later than one year and not later than five years	2,982,953	4,156,370
<b>Total</b>	<b>4,119,316</b>	<b>5,302,955</b>

17 There is only one reportable business segment viz software consultancy, the results of which are disclosed in the financial statements.

**18 Material events after Balance Sheet date**

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

**19 Approval of the financial statements**

The financial statements were approved for issue by the Board of Directors on 31st January 2018

