

INDEPENDENT AUDITORS' REPORT ON AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **HEXAWARE TECHNOLOGIES LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of the loss of its associate for the Quarter ended March 31, 2017 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled from the related condensed interim consolidated financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such condensed interim consolidated financial statements.
2. 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 Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement 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 Holding 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 Statement.

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

3. 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 referred to in paragraph 4 below, the Statement:
 - a. includes the results of the following entities:
 - i. Hexaware Technologies Limited, India



- ii. Hexaware Technologies Inc., USA (wholly owned subsidiary of the Holding Company)
 - iii. Hexaware Technologies, Mexico S. De. R.L. De. C.V., Mexico (wholly owned subsidiary of the Holding Company)
 - iv. Hexaware Technologies UK Ltd., United Kingdom (wholly owned subsidiary of the Holding Company)
 - v. FocusFrame Europe BV, Netherland (wholly owned subsidiary of Hexaware Technologies Inc.)
 - vi. Hexaware Technologies Asia Pacific Pte Limited, Singapore (wholly owned subsidiary of the Holding Company)
 - vii. Hexaware Technologies GmbH., Germany (wholly owned subsidiary of the Holding Company)
 - viii. Hexaware Technologies Canada Limited, Canada (wholly owned subsidiary of the Holding Company)
 - ix. Risk Technology International Limited, India (wholly owned subsidiary of the Holding Company)
 - x. Hexaware Technologies DO Brazil Ltd, Brazil (wholly owned subsidiary of Hexaware Technologies UK Ltd)
 - xi. Guangzhou Hexaware Information Technologies Company Limited, China (wholly owned subsidiary of the Holding Company)
 - xii. Hexaware Technologies LLC, Russia (wholly owned subsidiary of the Holding Company)
 - xiii. Hexaware Technologies Saudi LLC, Saudi Arabia (wholly owned subsidiary of the Holding Company)
 - xiv. Hexaware Technologies Romania SRL, Romania (wholly owned subsidiary of the Holding Company)
 - xv. Experis Technology Solutions Pte Limited (associate of Hexaware Technologies Asia Pacific Pte Limited)
 - xvi. Hexaware Technology & Business Solutions, Inc. (wholly owned subsidiary of Hexaware Technologies Inc.)
- b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Group for the Quarter ended March 31, 2017.
4. We did not audit the interim financial statements of eleven subsidiaries included in the consolidated financial results, whose interim financial statements reflect total revenues of Rs. 1,401.02 Million for the Quarter ended March 31, 2017 and total loss after tax of Rs. 1.14 Million and total comprehensive loss of Rs. 1.14 Million for the Quarter ended March 31, 2017, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, 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 on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.



5. The consolidated financial results includes the Group's share of loss after tax of Rs. 0.22 Million and total comprehensive loss of Rs. 0.22 Million for the Quarter ended March 31, 2017, as considered in the consolidated financial results, in respect of one associate company, whose financial statements are not audited. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the Statement is not modified in respect of the matter above with respect to our reliance on the financial statements certified by the Management.

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



Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, April 24, 2017

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **HEXAWARE TECHNOLOGIES LIMITED** ("the Company"), for the Quarter ended March 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related condensed interim standalone financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such condensed interim standalone financial statements.
2. 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 Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, 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 Statement 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 Statement.

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



3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the Quarter ended March 31, 2017.

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



Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, 24th April, 2017

A) CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH 2017

(Rupees in million except per share data)

PARTICULARS	QUARTER ENDED 31st MAR'2017 (AUDITED)	QUARTER ENDED 31st MAR'2016 (AUDITED)
INCOME		
Revenue from operations	9,605.34	8,202.12
EXPENSES		
Software and development expenses	1,784.22	1,380.99
Employee benefits expense	5,260.79	4,828.51
Operation and other expenses	884.02	730.81
Employee stock option compensation cost	53.83	73.36
Depreciation and amortisation expense	157.23	137.11
Total expenses	8,140.09	7,150.78
Profit from operations before other income, exchange rate difference, interest and tax	1,465.25	1,051.34
Other Income	12.22	10.83
Exchange rate difference (net) gain / (loss)	16.20	44.28
Profit before interest and tax	1,493.67	1,106.45
Interest - others	0.07	0.04
Profit before tax and share in loss of associate	1,493.60	1,106.41
Share in losses of associate	0.22	-
Profit before tax	1,493.38	1,106.41
Tax expense	354.62	268.21
Profit for the period	1,138.76	838.20
OTHER COMPREHENSIVE INCOME		
<i>i) Items that will not be reclassified to profit or loss</i>		
- Remeasurement of defined benefit plan	18.85	4.68
- Income tax relating to items that will not be reclassified to profit or loss	(3.96)	(0.85)
<i>ii) Items that will be reclassified to profit or loss</i>		
- Net change in fair value of cash flow hedges	363.45	93.82
- Exchange differences in translating the financial statements of a foreign operations	(218.81)	35.10
- Income tax relating to items that will be reclassified to profit or loss	(83.23)	(21.82)
Total other comprehensive income	76.30	110.93
Total comprehensive income for the period	1,215.06	949.13
Paid up Equity Share Capital (Face value of Rs. 2/- per share)	592.67	603.58
Earnings per share (In Rupees)		
Basic	3.80	2.78
Diluted	3.77	2.76



B) CONSOLIDATED SEGMENT REPORTING

(Rupees in million)

PARTICULARS	QUARTER ENDED 31st MAR'2017 (AUDITED)	QUARTER ENDED 31st MAR'2016 (AUDITED)
REVENUE BY INDUSTRY SEGMENT		
Travel and Transportation	1,309.04	1,256.51
Banking and Financial services	4,099.20	3,217.08
Healthcare and Insurance	1,505.43	1,437.08
Manufacturing, Consumer and others	2,691.67	2,291.45
NET REVENUE FROM OPERATIONS	9,605.34	8,202.12
SEGMENT RESULT BEFORE TAX		
Travel and Transportation	289.11	228.29
Banking and Financial services	442.20	323.40
Healthcare and Insurance	341.00	257.45
Manufacturing, Consumer and others	550.17	379.31
TOTAL	1,622.48	1,188.45
Add :Other income	12.22	10.83
Add: Exchange rate difference (net) gain / (loss)	16.20	44.28
Less : Interest	0.07	0.04
Less : Other unallocable expenses	157.23	137.11
Less : Share in losses of associate	0.22	-
Profit before tax	1,493.38	1,106.41

Notes on segment information

The Groups organization structure reflects the industry business segmentation. The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments.

Segment assets and liabilities

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.



C) HEXAWARE TECHNOLOGIES LIMITED - INDIA - STANDALONE BASIS
AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH 2017

(Rupees in million except per share data)

PARTICULARS	QUARTER ENDED 31st MAR'2017 (AUDITED)	QUARTER ENDED 31st MAR'2016 (AUDITED)
INCOME		
Revenue from operations	3,657.16	3,182.74
EXPENSES		
Software and development expenses	112.09	112.60
Employee benefits expense	1,755.76	1,708.34
Operation and other expenses	489.76	383.36
Employee stock option compensation cost	53.83	73.36
Depreciation and amortisation expense	100.89	107.20
Total expenses	2,512.33	2,384.86
Profit from operations before other income, exchange rate difference, interest and tax	1,144.83	797.88
Other Income	39.64	19.64
Exchange rate difference (net) gain / (loss)	56.45	46.31
Profit before interest and tax	1,240.92	863.83
Interest - others	0.02	0.02
Profit before tax	1,240.90	863.81
Tax expense	247.03	156.64
Profit for the period	993.87	707.17
OTHER COMPREHENSIVE INCOME		
<i>i) Items that will not be reclassified to profit or loss</i>		
- Remeasurement of defined benefit plan	18.85	4.68
- Income tax relating to items that will not be reclassified to profit or loss	(3.96)	(0.85)
<i>ii) Items that will be reclassified to profit or loss</i>		
- Net change in fair value of cash flow hedges	363.45	93.82
- Income tax relating to items that will be reclassified to profit or loss	(83.23)	(21.82)
Total other comprehensive income	295.11	75.83
Total comprehensive income for the period	1,288.98	783.00
Paid up Equity share capital (Face value of Rs. 2/- per share)	592.67	603.58
Earnings per share (In Rupees)		
Basic	3.32	2.34
Diluted	3.29	2.33



D) Notes:-

1) The Consolidated audited financial results and standalone audited financial results of the Company, reviewed and recommended by the Audit Committee, were taken on record by the Board of Directors of the Company at its meeting held on 24th April 2017.

The Company has opted to publish only consolidated audited financial results, along with information on audited standalone results as per the amended guidelines issued by the Securities and Exchange Board of India. Standalone audited results are available on the Company's website.

2) Information on segments has been disclosed on a consolidated basis in accordance with Ind AS 108 "Operating Segment"

3) Pursuant to the approval from the Board of Directors and Shareholders on 25th October 2016 and 22nd December 2016 respectively, the Company has bought back 5,694,835 shares of Rs. 2 each (representing 1.9% of total issued equity shares) from the shareholders of the Company on a proportionate basis by way of a tender offer route at a price of Rs. 240 per equity share for an aggregate amount of Rs. 1,366.76 million in accordance with the provisions of the Companies Act, 2013 and SEBI (Buy Back of Securities) Regulations, 1998.

4) The Board of Directors have declared an interim dividend of Re. 1/- per share (50%) on an equity share of Rs. 2/- each, at its meeting held on 24th March, 2017.

5) The Company adopted Indian Accounting Standards ("Ind AS") from January 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Reconciliations between consolidated financial results, as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter

	Rupees in million
	QUARTER ENDED 31st MAR'2016
Net profit under Previous GAAP	841.85
Remeasurement of defined benefit plan recognised in OCI	(3.83)
Reversal of straightlining of rent	0.18
Net profit as per Ind AS	838.20
Other comprehensive income (OCI)	110.93
Total comprehensive income	949.13

Reconciliations between unconsolidated (standalone) financial results, as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter

	Rupees in million
	QUARTER ENDED 31st MAR'2016
Net profit under Previous GAAP	710.82
Remeasurement of defined benefit plan recognised in OCI	(3.83)
Reversal of straightlining of rent	0.18
Net profit as per Ind AS	707.17
Other comprehensive income (OCI)	75.83
Total comprehensive income	783.00

6) The Board of directors at its meeting held on March 8, 2017 has approved the scheme of merger of Risk Technology International Limited, a wholly owned subsidiary, with itself subject to approval of the Shareholders at the ensuing extra ordinary general meeting and approval of various other authorities nominated by Government of India including National Company Law Tribunal.

7) Figures for the previous period has been regrouped wherever necessary to conform to the current period.

Place : Mumbai
Date : 24th April, 2017



For Hexaware Technologies Limited


R. Srikrishna
CEO and Executive Director