

# “Chairman’s Communique

Dear Shareholders,

## **“Connecting business and technology through innovation”**

It gives me immense pride to inform you that Hexaware has achieved good growth for the year 2006.

Going beyond the financials, I would like to take you through the growth journey of the Company which is based on four principles viz., Innovation, Competencies, Relationships and Scalability.

INNOVATIVENESS is being able to apply uncommon thought to arrive at a more efficient, elegant and sustainable solution to a customer problem. That’s why at Hexaware, our mission is – “To build value for customers through innovative use of technology and talent”.

In 2006, Hexawarians undertook several new initiatives which will lead to growth impulses for the future. The Company has demonstrated leadership and expertise in its Competencies like being a global market leader in PeopleSoft Services, leading IT solution providers for the Transportation and Hospitality industry, fastest growing among the top Indian IT service providers in Germany in expanding and establishing a strong base in





providing Testing Services offering by acquiring FocusFrame. The Company believes in building strong relationships and maximising opportunities by farming Top 40 accounts which contribute about 70% of our global revenue of Rs. 848 crores and with effective account management, it gives 88.4% of repeat business. Out of 129 active clients, 41 are the Fortune 500 / Global 500 clients.

Hexaware is scaling new heights and planning new goals at every step and the acquisition of FocusFrame during the year demonstrated in strengthening of our focus area, Testing Services. The Company has gained momentum not only in terms of volume but also in terms of the quality of offerings. During the year, the Company has also expanded its global footprint by opening a new office in the business capital of the world, New York and an onshore facility at Mexico in addition to 6 state-of-the-art delivery centres, in India and Germany. In line with the growth and vision, the Company acquired 25 acres of land in the SEZ area of Hinjewadi, Pune and 14 acres in Airoli, Mumbai. The first phase of our much awaited Green campus in Siruseri, Chennai, one of India's largest campuses will be operational by August 2007.

'Fun at work' is what we believe in and we continually strive to give the best to our employees where work and facilities are concerned. Today Hexaware has over 5,800 employees across the globe.

I would like to share with you the achievements during the year -

- International Magazine, BusinessWeek ranked your Company 1<sup>st</sup> among the five Indian companies and 22<sup>nd</sup> among the Asia's 100 Hot Growth Companies.

- The Institute of Company Secretaries of India (ICSI) has rated your Company amongst the top twenty five companies which have displayed excellence in Corporate Governance.
- Dataquest IDC's Best Employer survey 2006, grades your Company as 6<sup>th</sup> India's Best employer.

Like every Hexawarian, I have been emotionally attached to Hexaware, which motivates me to excel everyday to meet the expectations of our stakeholders. I have been deeply touched by the integrity, honesty and hardwork with which Hexawarians work for the growth of the Company. While, personal interest and egos have been subordinated, there has been a passion complimented by the faith posed in us by every one of you which will surely propel Hexaware's growth.

Let me end by thanking all our partners, our employees for their cooperation and support and my thanks to you, the stakeholders for being with us in all times.

We value your support and commitment to Hexaware.

Yours sincerely,

**Atul K.Nishar**  
Executive Chairman

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# Board of Directors

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**Atul K. Nishar**  
*Executive Chairman*

Atul Nishar is the Founder & Executive Chairman of Hexaware Technologies Limited. Under his leadership, Hexaware Technologies, which he founded in 1990, has grown into a 5,829 people, multi-million dollar, global software services and solutions corporation. Hexaware is listed on Indian & London Stock Exchanges. He also focused on building a strong brand identity for the company.

He has been associated with NASSCOM for several years in various capacities and was Chairman of NASSCOM for 2000. He continues to be on the Executive Council of NASSCOM. He is also a Charter Member of The Indus Entrepreneurs (TiE), and Co-Chairman on the Information Technology Committee of Indian Merchants Chamber. He is also appointed as President of the Indo-American Chamber of Commerce.

He was Chairman of National Association of Computer Trainers (NACT) for 1993-1995, Chairman of the National Committee on Information Technology and member of the Steering Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) for 2001-2002, and Member of National Executive Committee (2000) of Confederation of Indian Industry (CII).

He is a Co-Founder of Infinity Technology Investments Pvt. Ltd. - a leading Venture Capital Fund. He is a Director of Indo-American Chamber of Commerce.

He has published several articles on Information Technology in "Business India" and "The Economic Times" and has been a speaker at conferences of Harvard Business School, NASSCOM, TiE, World Congress on Information Technology, Egypt's International Economic Forum Annual, US Consulate, IIT, FICCI, and CII.

He is a Fellow member of the Institute of Chartered Accountants of India (FCA), prior to which he received his Bachelor's Degree in Commerce and Degree in Law from Mumbai University.



**Rusi Brij**  
*Vice-Chairman & CEO*

Rusi Brij has taken on the challenge of spearheading the growth of Hexaware Software business in the new millennium. As the global CEO, his mandate covers developing and growing the operations of the Company along the guidelines set by the Board. This includes setting the strategic direction of the business, developing long term plans for various business divisions, expanding market presence in the US, Europe and Asia Pacific, meeting business targets, and managing expectations of customers, investors, and employees. After completing the merger process in the year 2001, he has defined a new business direction, restructured operations and management globally, and set new business targets for leaders across the Company. He has also focused on aggressive business development and building a strong brand identity for the Company.

He is an MBA with an advanced course from HAAS School of Management, University of California, Berkeley.



**P. K. Sridharan**  
*President &  
Executive Director*

P K Sridharan holds overall responsibility for the delivery operations of Hexaware Technologies. He is a techno-commercial manager with over 30 years experience in the Companies like ECIL, Philips, ORG and DSQ in Senior Management positions. He has a brilliant academic

career with a B.Tech in Electronics Engineering from IIT, Chennai and M.Tech in Computer Sciences from IIT, Kanpur.

**L. S. Sarma**  
*Director*



L. S. Sarma has been on the Hexaware Board since March, 2000. He has had a distinguished career in the banking and finance industry and has worked for Punjab National Bank, Reserve Bank of India and IDBI (a premier financial institution). IDBI was a pioneer in Project finance in India and Mr. Sarma was a member of various committees on Export Finance and Construction Contracts. He represented IDBI on the committee for setting up the Export Import Bank of India.

He also has had a long international career and carried out various assignments on Export finance in Africa and South East Asia. He is the co-author of the publication 'Financing Exports in Developing Countries' published by the International Trade Center, Geneva.

After his retirement from IDBI he has been a director and consultant for various Banks and Export bodies. Since April 1999 he has been a representative of Botswana Export Development and Investment Authority. From March 1990 to March 1999, he served as the Representative Consultant of the Mauritius Export Development and Investment Authority.

She is a MBBS from the Grant Medical College, Mumbai and is a Master of Management Studies from the Sydenham Institute of Management Studies,

**A.P. Kurian**  
*Director*



A. P. Kurian has been on the Board since 2000. Since July 1998, he is the Executive Chairman of the Association of Mutual Funds in India (AMFI) – a trade body of all the Mutual Funds Operating in India. He is on the Board of many financial organizations like National Stock Exchange of India Ltd., National Securities Depository Ltd. He is closely associated with the Securities and Exchange Board of India (SEBI). He was a Nominee Director of Century Textiles & Industries (part of the 3rd largest Industrial House in India).

He has a career in the financial services industry spread over more than three decades and has held senior positions in the Reserve Bank of India and in Unit Trust of India. While in Unit Trust of India, he was the Executive Trustee (2nd only to Chairman) and was actively involved in the design and marketing of over 30 Mutual Fund schemes.

For his original contribution in the field of marketing of financial instruments, the Institute of Marketing Management (IMM) awarded him "Marketing Man of the Year award" in 1987. He was also awarded the "Best Professional Manager" award by the IMM in 1993.

**Dr. Alka Nishar**  
*Director*



Dr. Alka Nishar has been on the Hexaware Board since inception. She is a Founder Director of the Company. She has extensive experience in Strategic Planning, Information and Infrastructure Planning, Logistics, Control Systems and Marketing.

**P. G. Kakodkar**  
*Director*



P. G. Kakodkar has been on the Hexaware Board since March, 2000. He is the Chairman of the Discount and Finance House of India, and Chairman – Local Advisory Board of Societe Generale. He is a member of UTI Asset Management. Before retiring in 1997, he had an extremely



distinguished career spanning 40 years with State Bank of India (the largest bank in India, asset base of USD 67.71 billion with a vast domestic network of 9,019 branches and staff strength of 214,845) and rose to be the Chairman of the State Bank Group. In his long career, he has worked in virtually all aspects of banking. He was also a Member of the governing board in various banking organizations in the country.

**Mark F Dzialga**  
*Director*



Mark F. Dzialga, who is based in the United States, is a Managing Director at General Atlantic LLC, a leading global private equity firm providing capital for growth of companies and a recent investor in Hexaware. He has been a director of numerous public and private companies including Hewitt, Daksh, Talus, Creditek and Multiplan. He is currently a director of Genpact, Schaller Anderson, UPromise, and Webloyalty. Prior to joining General Atlantic in 1998, he was the Co-Head of the High Technology Merger Group at Goldman Sachs. At Goldman Sachs, he has advised many of the firm's technology clients on mergers, acquisitions and restructurings.



**Shailesh V. Haribhakti**  
*Director*

Shailesh V. Haribhakti is a leading Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India (ICAI), Certified Internal Auditor, Certified Financial Planner, Graduate Cost Accountant and Certified Fraud Examiner. He contributed to shaping of India's economic policy through his association as the President of Indian Merchants' Chamber and as the Chairman of Corporate Governance Committee of ASSOCHAM. He was the Chairman of WIRC of ICAI,

President of BMA and President of IIA, Bombay. Presently, Mr. Shailesh V. Haribhakti is Director on the Board of several companies including Indian Petrochemicals Corporation Limited (IPCL), ACC, Blue Star Ltd, Gujarat Ambuja Cement Eastern Limited and Pantaloon Retail (India) Limited.

**Dr. Bakul H. Dholakia**  
*Director*



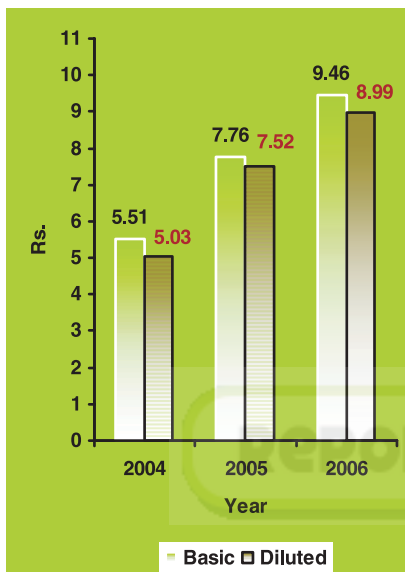
Dr. Bakul H. Dholakia is the Director of IIM, Ahmedabad. He has over 37 years of professional experience out of which 31 years has been with IIM, Ahmedabad. He is a Doctorate in Economics, is a renowned and eminent professor. He has been a Consultant to the World Bank and the Asian Development Bank in addition to advising various National and International organizations. He has authored numerous books on business topics including Business Economics, Corporate Strategy and Development Economics.



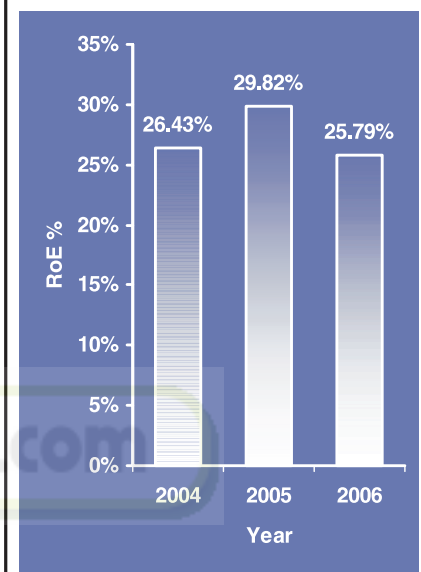
**Preeti Mehta**  
*Director*

Preeti Mehta is B.A., L.L.B from Mumbai University and has qualified as a Solicitor both from Mumbai and England. She has undergone an intensive course on Franchising at the Middlesex University, London. She is a Partner of Messrs Kanga & Co., a leading firm of Advocates and Solicitors in Mumbai. She has been practising for over 17 years and has vast experience in matters relating to foreign collaborations, corporate laws and banking. She has participated in several international seminars and presented papers as also authored articles. She is also a Member of the Law Committee of the Bombay Chamber of Commerce and Industry, a member of the Rotary Club of Bombay and on the Executive Council of the Franchise Association of India (FAI).

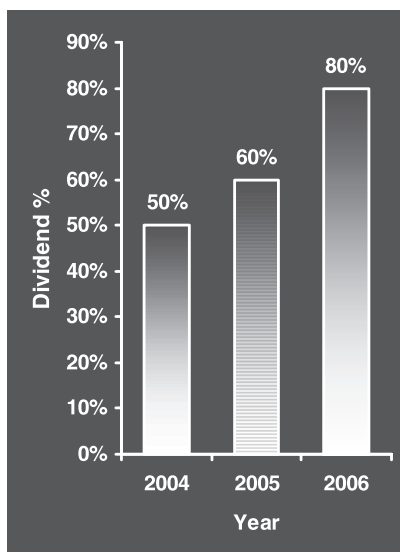
# “Performance Highlights”



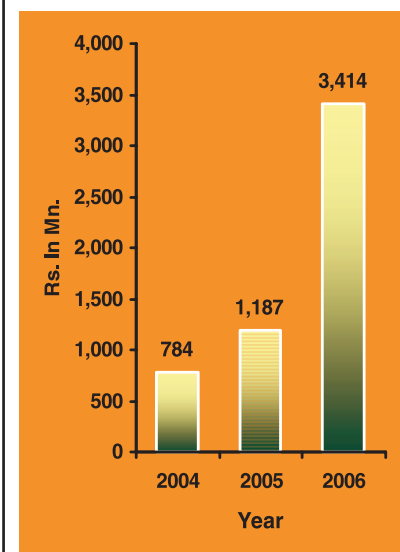
Earning per share



Return on Equity

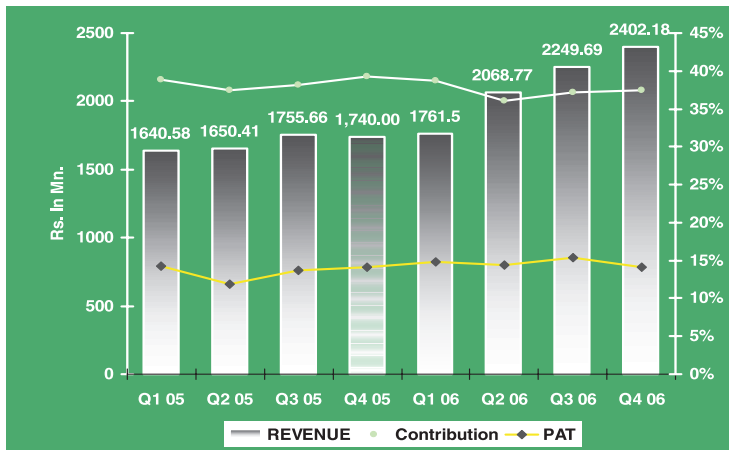


Dividend Payout

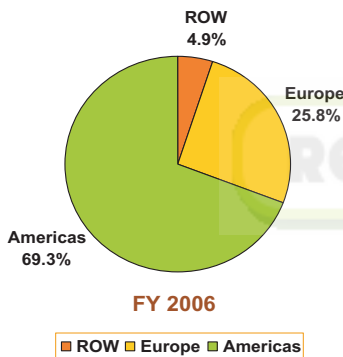


Cash and Cash Equivalents

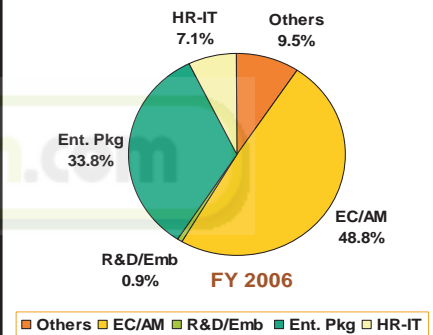
## Revenue & Key Ratios



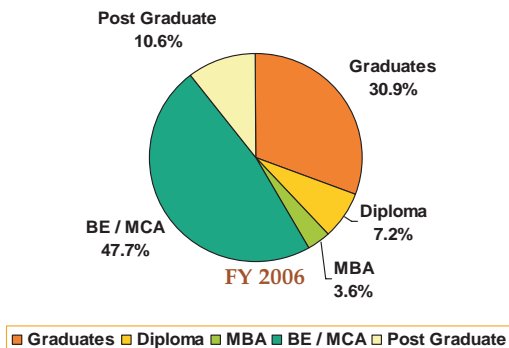
## Geographical Split



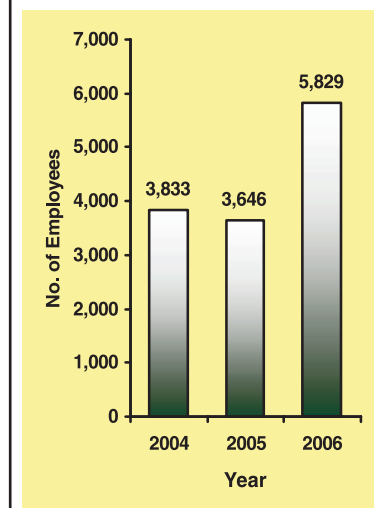
## Technology Split



## Human Resources



## Headcount



# “Management Team”

**Atul K. Nishar**

Founder and Chairman

**Rusi Brij**

Vice-Chairman &amp; CEO

**P. K. Sridharan**

President - India Operations

**Hari Murthy**

President - North America Operations

**Sunil Surya**

President - Europe Operations

**Ashok Bildikar**

President - BPO

**Yogen Shah**

Sr. Vice President - Asia Pacific

**Moorthi Chokkanathan**

Head, India Delivery

**Ramanan R. V.**

Chief Software Architect

**G. R. Raju**Chief Technology Officer  
& Head - Insurance Practice**Rajesh Ghonasgi**

Chief Financial Officer

**Sulochana Ganesan**

Vice President - Quality

**Deependra Chumble**

Chief People Officer

**Naishadh P. Desai**

AVP (Legal &amp; Finance) &amp; Company Secretary

**M/s. Deloitte Haskins & Sells**Chartered Accountants  
Statutory Auditors**Registered Office**152, Millennium Business Park,  
Sector- III, 'A' Block, TTC Industrial Area,  
Mahape, Navi Mumbai- 400 710**Registrar and Share Transfer Agent**Sharepro Services (India) Private Limited  
Unit: Hexaware Technologies Limited  
3rd Floor, Satam Estate, Cardinal Gracious Road,  
Andheri (East), Mumbai- 400 099  
Tel: 2821 5168 - 69, Fax: 2837 5646



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Proxy Form/Attendance Slips

ECS/Bank Mandate Form



## NOTICE

**NOTICE** is hereby given that the Fourteenth Annual General Meeting of the Members of **Hexaware Technologies Limited** will be held on Tuesday, the 24th day of April, 2007 at 3.00 p.m. at M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovinddas Building, 18/20, Dubash Marg, Behind Prince of Wales Museum/ Kala Ghoda, Mumbai - 400 001, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2006 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.
2. To declare final dividend on preference shares and to ratify interim dividend.
3. To declare final dividend on equity shares and to ratify interim dividend.
4. To appoint a Director in place of Mr. Rusi Brij, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Bakul H. Dholakia, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. (Mrs.) Alka A. Nishar, who retires by rotation, and being eligible, offers herself for re-appointment.
7. 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, Messrs Deloitte Haskins & Sells, Chartered Accountants, Mumbai 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 Messrs Deloitte Haskins & Sells plus applicable tax, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them."

### SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary

Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 257 of the Companies Act, 1956, (including any statutory modification(s) thereto or any re-enactment(s) thereof for the time being in force) Ms. Preeti Mehta, who was appointed as an Additional Director by the Board in terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company and whose term of office expires at the ensuring Annual General Meeting and in respect of which the Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the said Act") (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the Central Government, if any, the consent of the members be and is hereby accorded for (a) re-appointment of Mr. Atul K. Nishar as Executive Chairman for additional period of three years with effect from January 1, 2007 to December 31, 2009 and (b) increase in/revision of remuneration payable to Mr. Atul K. Nishar - Executive Chairman of the Company, with effect from April 1, 2007 as recommended by the Remuneration & Compensation Committee at its meeting held on March 22, 2007 & approved by the Board of Directors at its meeting held on March 23, 2007, on the terms as set out in the Explanatory Statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said term of his appointment and/or remuneration including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. Atul K. Nishar - Executive Chairman within and in accordance to the limits prescribed in Schedule XIII to the said Act or any amendment(s) and/or any statutory modification(s) thereto.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Executive Chairman by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is