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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.

Core 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.

Forward looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, informative or events.

The Company has sourced the industry information from the publicly available resources and has not verified those information independently.

Chairman's Letter



Atul Nishar, *Chairman*

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We continue to leverage our strong technological expertise and domain understanding in our key focus areas to serve our clients that can further our growth momentum.

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Dear Shareowners,

Our stellar performance in the year 2012 has been well supported by all around growth in our focused areas. During the year, along with many others significant wins we added a large European Financial Services logo through a multimillion dollar deal. In addition to our traditionally strong service lines, we have witnessed healthy growth in Business Intelligence / Business Analytics (BI/BA) and in the newly launched Remote Infrastructure Management Services (RIMS) horizontal. It is heartening to see such a strong demand of our skill set in these areas as these emerging technologies provide platform for higher future growth. We continue to invest in emerging technologies such as enterprise mobility, social media, cloud computing and big data as we believe they offer significant growth potential.

We continue to leverage our strong technological expertise and domain understanding in our focus areas to serve our clients that can further our growth momentum. During the year, we entered into a strategic alliance with a multi-billion dollar company to establish a large secure Enterprise Resource Planning (ERP) Application Outsourcing services unit. This unit would operate on Build Operate and Transfer (BOT) model to serve its large base of global customers across multiple geographies and industry verticals.

To augment our growth further, both from existing and new logos we have been making consistent investment by increasing the quality and quantity of our front ending teams, enhancing process and methodologies to boost their productivity and reach, creating dedicated mining teams at organizational level and undertaking slew of market development activities to further our brand image and recall. Well supported by these steps, we have been able to increase the average size of our top 10 client segment to USD 18 million in 2012 from USD 11 million in 2010. On new clients addition also we have been consistently adding 10-12 clients every quarter since last two and a half years. By end of 2012, we had an active client roster of 218 leading global corporates.



Our efforts were well recognized by the industry. Amongst many other accolades, we were selected in the International Association of Outsourcing Providers® (IAOP®) Global Outsourcing 100® list. We were recognized for our all around global expertise and for our work in various domains including Human Resources Services, Transaction Processing Services and Air Transportation



Our investments in improving employee morale and productivity have also been bearing fruits in line with our expectation. During the year, the attrition was at a multi-year low single digit. We added 752 employees and our global headcount increased to 9,069 employees.

In line with our corporate road map, we expanded our presence in our 27 acres Green Campus in Siruseri SEZ at Chennai. In Pune, we moved to a larger facility with a seating capacity of 700 employees. Further, 340 employees have been employed by Caliber Point Business Solutions, 100% wholly owned subsidiary of Hexaware at the SEZ campus at Nagpur. During the year, we made a further investment of ₹744 million to improve and expand our physical and technical (IT) infrastructure that can cater to our current and future requirements.

Our efforts were also well recognized by the industry. Amongst many other accolades, we were selected in the International Association of Outsourcing Providers® (IAOP®) Global Outsourcing 100® list. We were recognized for our all around global expertise and for our work in various domains including Human Resources Services, Transaction Processing Services and Air Transportation.

Going ahead we are optimistic on 2013. While the global economy may continue to face sporadic challenges, we are confident on our growth outlook as we believe that IT influence would continue to increase in all major business decisions. Companies across the globe should continue to invest in IT to boost productivity, increase span,

stay agile and tap emerging technologies. We continue to seek all organic and inorganic growth opportunities that are in line with our strategic plan and make business sense. We are confident that our well chosen path of maintaining focus on select areas would augur well for the future of our company.

I am pleased to announce that this stellar performance has helped us reward our shareholders in a significant manner with a final dividend of ₹1.20 per share (60%) on equity shares of ₹2/- each, subject to the approval of the shareholders. This brings the total dividend for the year 2012 to ₹5.40 per share (270%) up from ₹4.00 per share (200%) for the year 2011.

As I conclude, I take this opportunity to acknowledge valuable contribution of our employees during the year and also thank our customers, investors and partners for their unwavering support. I look forward to their continued trust and patronage as we step forward into yet another exciting year.

Yours Sincerely,

Atul Nishar

Chairman

CEO's Communiqué



P. R. Chandrasekar, *Global CEO and Vice Chairman*

How do you view your Company's performance in the year 2012?

Performance in the year 2012 was encouraging on multiple counts. Despite not so pleasant macroeconomic environment, Hexaware maintained its growth momentum and our revenues grew by 18% in USD and 34% in INR. Our gross and operating margins improved by 80 bps and 280 bps respectively. Supported by higher gross margin, our earnings before interest and taxes (EBIT) grew by 57%, while profit after tax (PAT) grew by 23% to ₹ 3276 million.

During the year, we added 47 new clients and our total client count by end of year was 218. We also increased our average account size to USD 1.7 million against USD 1.6 million in 2011 and USD 1.3 million in 2010. Geography wise, Asia Pacific grew much faster and its contribution to our revenues increased to 7.3% from 6.6%. Industry wise Healthcare & Insurance was the fastest growing vertical and its share to our revenues increased to 16.3% from 13.8% in 2011, while service lines wise BI/BA grew the fastest and its contribution to our revenues increased to 11.9% from 10%.

What would be the key growth drivers and margin levers over the next three to five years?

Since last three years we have been making consistent investment to strengthen and expand our field force presence globally. We now have

a healthy mix of Hunters, Account Managers and Practice Professionals globally that would help us to grow our repeat business and new business. We have been continuously investing and strengthening our competencies, both domain and technology specific, in all our focus areas especially in Emerging Technologies such as Mobility, Cloud Computing and Big Data. We expect these new areas to contribute increasing share to our overall growth. Geography wise, we are expanding into faster growing large emerging markets and that should add to our growth momentum.

To deliver healthy margin performance, we maintain multiple cost levers at hand. The key factors include resource utilization, onsite / offshore ratio, cost ratios managed through employee pyramid and bill rates managed across our suite of services offered to clients. While our onsite-offshore mix improved during the year, our utilization dipped a bit during the year. We have taken number of steps based on which we expect our operating margins to improve from early 2013 itself.

What are your plans to tap the growing influence of emerging technologies?

During the year 2012, we have kickstarted a Big Data specific CoE as part of our Business Intelligence and Analytics practice. The CoE provided a platform to build core competencies in areas like Hadoop ecosystem, MapReduce programming, advanced/predictive analytics, statistical modeling and text mining and analytics. We have been broadening our existing strategic partnerships to include Big Data related platforms and have also been forming alliances with focused technology companies to gain access to certain solutions on Big Data platforms.

We have taken several initiatives to strengthen our cloud based value proposition like Rainmaker, our private cloud, Cloudview, and cloud-based Software as a Service (SaaS) platform for offering HR services, Republic. During the year, we were awarded the EMC Transformers Award by the IDG media group for our Cloud and Disaster Recovery (DR) implementation. Our mobile computing practice offers application development and maintenance capability around Apple® iOS, Google Android, Microsoft Windows 7.x/8 and Research In Motion Blackberry®.



Board of Directors

Standing from Left to Right

Mr. S. K. Mitra

Director

Mr. Bharat Shah

Director

Mr. Ashish Dhawan

Director

Mr. Atul K. Nishar

Founder & Chairman

Sitting from Left to Right

Mr. Shailesh V. Haribhakti

Director

Ms. Preeti Mehta

Director



Standing from Left to Right

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

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

Mr. Abhay Havaladar
Director

Sitting from Left to Right

Mr. L. S. Sarma
Director

Mr. S. Doreswamy
Director



Board of Directors' Profile



Mr. Atul K Nishar, Founder & 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. 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. R. V. Ramanan, Executive Director and 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. Abhay Havaladar, Director

Mr. Abhay Havaladar established General Atlantic's India office in 2002. He has been investing in Indian businesses since 1996 as a partner at Draper International and Connect Capital. He is a Charter Member of The Indus Entrepreneurs (TIE), a Board member of Society for Innovation and Entrepreneurship (SINE) and a trustee of United Way of Mumbai.

He also serves as a Director on board of several other companies including Jubilant Life Sciences Ltd., IBS Software Services (P) Ltd. and Infotech Enterprises Ltd.

Mr Havaladar holds a Bachelor's degree in Electrical Engineering from the University of Bombay and Masters in Management degree from the Sloan Fellow Program at the London Business School.

Mr. Ashish Dhawan, Director

Mr. Ashish Dhawan is the Founder and CEO of Central Square Foundation. He is an entrepreneur and philanthropist and at present is transitioning from his role as Senior Managing Director, ChrysCapital; a private equity firm that he co-founded in 1999.

He is also a founding member of Ashoka University, India's first Liberal Arts University that is being set-up in Sonapat (Haryana) in collaboration with University of Pennsylvania.

Previously Ashish has worked with leading investment institutions such as Goldman Sachs, GP Investments and MDC Partners. He is an MBA with distinction from Harvard University and a dual bachelor's (BS/BA) holder in applied mathematics and economics with Magna Cum Laude honours from Yale University.

Mr. L. S. Sarma, Independent Director

Mr. Sarma has been on the board of Hexaware Technologies Ltd. since March, 2000. Earlier, he has worked for Punjab National Bank, Reserve Bank of India and IDBI, a premier financial institution.

Mr Sarma has spent considerable part of his career abroad. He has carried numerous assignments on Export finance in Africa and South East Asia. Since April 1999 he has been a representative of Botswana Export

Development and Investment Authority. Between 1990 and 1999, Mr Sarma served as the Representative Consultant of the Mauritius Export Development and Investment Authority.

He has also co-authored a publication 'Financing Exports in Developing Countries' published by the International Trade Center, Geneva.

Mr. Shailesh V. Haribhakti, *Independent Director*

Mr. Shailesh Haribhakti has successfully established and led many innovative services. His current passions involve outsourcing of knowledge processes, engaged investing and efficiency and effectiveness enhancement in social, commercial and governmental organisations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He actively promotes these causes and contributes towards their evolution by participating in the process of framing regulations and standards.

Mr. Haribhakti is a Director on the board of public and private companies and holds chairmanship / membership in the regulatory committees of some companies including NSE India, SEBI. Earlier he was President of Indian Merchants' Chamber, Chairman of Corporate Governance Committee of ASSOCHAM, Chairman of WIRC of ICAI, President of BMA and President of IIA, Bombay. Mr. Haribhakti is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner and Fraud Examiner.

Ms. Preeti Mehta, *Independent Director*

Ms Preeti Mehta is a Partner of Messrs Kanga & Co., a leading firm of Advocates and Solicitors. Ms. Mehta has qualified as a Solicitor both from Mumbai and England. She has been practicing for close to two and a half decades and specializes in mergers & acquisitions, private equity, foreign investment, corporate laws, franchising and banking.

Ms. Mehta serves as 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).

Mr. S. K. Mitra, *Independent Director*

Mr. S. K. Mitra is a well respected financial service professional in India. He was instrumental in setting up the Merchant Banking Divisions of Bank of

India and Standard Chartered Bank. He was the Country Head - Corporate Banking and Investment Banking at American Express Bank. Thereafter, he worked as Managing Director with GIC Mutual Fund. In 1994 he joined the Aditya Birla Group as a Director and set up a very successful financial services business for the Group.

Mr Mitra has been actively participating in several important Committees and Chambers in India. He has been associated with several reputed companies as a Director and as an Advisor. He is a regular contributor to domestic and international publications and also a regular speaker in various forums. Mr. Mitra is Master of Science in Mathematics and MBA.

Mr. Bharat Shah, *Independent Director*

Mr. Bharat Shah is the Chairman of HDFC Securities Limited. He has been one of the founder members of HDFC bank and joined the bank in 1994 as an Executive Director on its Board. Earlier Mr Shah has worked with Union Bank of Switzerland, Citibank and Thomas Cook.

Mr. Shah also is a Director on board of several other companies. He also acts as an Trustee for Yatra Art Fund, Vanita Vishram Trust, RBK International Academy and Foundation for Liberal & Management Education.

Mr. Shah is Bachelors in Science from the University of Mumbai and also holds a Degree in Applied Chemistry with special reference to Metal Finishing from Borough Polytechnic, London.

Mr. S. Doreswamy, *Independent Director*

Mr. S. Doreswamy was Chairman and Managing Director of Central Bank of India and during his tenure he successfully steered the loss making bank towards growth and profitability. Prior to this, he was the Chairman and Managing Director of Dena Bank and handled multiple administrative and operational assignments.

Mr. S. Doreswamy is a Director on board of several other companies including Caliber Point Business Solutions Limited, Ceat Limited, Pantaloon Retail India Limited, Shakti Sugars Limited and DSP Merrill Lynch Trustee Co. Ltd.

Mr. S. Doreswamy is a fellow of the Indian Institute of Banking and Finance, a post graduate in law and a Science graduate.

Management Team

**Mr. Atul K. Nishar**

Founder & Chairman

Mr. P R Chandrasekar

*Global Chief Executive Officer &
Vice Chairman*

Mr. R V Ramanan

Executive Director & President Global Delivery

Mr. Rajiv Pant

President North America Operations

Mr. Ramanan Seshadri

*Executive Vice President &
Head Europe Operations*

Mr. Uday C Reddy

Senior Vice President APAC – Operations

Mr. Madhu Kumar

*Executive Vice President & Global Head –
Travel & Transportation*

Mr. Ravi Vaidyanathan

*Senior Vice President & Global Head –
Banking & Financial Services*

Mr. N Nataraj

*Chief Information Officer & Global Head –
Infrastructure Management Services*

Mr. Moorthi Chokkanathan

*President & Global Head – Enterprise
Solutions*

Mr. Anand Moorthy

*Senior Vice President & Global Head –
Quality Assurance & Testing Services*

Mr. R U Srinivas

Chief Executive Officer, Caliber Point

Mrs. Amberin Memon

*Chief People Officer & Senior Vice President
Healthcare & Insurance*

Mr. Sreenivas V

Chief Strategy Officer

Mr. Rajesh Kanani

*Senior Vice President Corporate Finance &
Acting Chief Financial Officer*