



K. S. Bhatia & Co.

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Guangzhou Hexaware Information Technologies Company Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Guangzhou Hexaware Information Technologies Company Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records for safeguarding 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

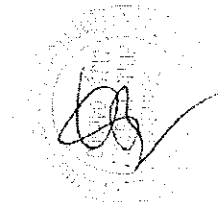
Auditor's Responsibility

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

4. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

OFFICE ADDRESS : 201, Balaji Darshan, Above Hotel Shabari, Tilak Road, Santacruz (W), Mumbai-400054
Tel.: 2649 3972/ 2649 2998, Mobile : 9322225270





K. S. Bhatia & Co.

CHARTERED ACCOUNTANTS

those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December 2016, and its loss and its cash flows for the year ended on that date.

Other matter

8. This report is intended solely for the information of the Company's and its holding company's board of directors and members as a body and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's and holding company's board of directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

For K. S. Bhatia & Co.
Chartered Accountants

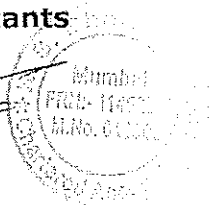
FRN: 114520W


Kaushik S. Bhatia

Partner

M. No. 046908

Mumbai, 20th January 2017



OFFICE ADDRESS : 201, Balaji Darshan, Above Hotel Shabari, Tilak Road, Santacruz (W), Mumbai-400054
Tel.: 2649 3972/ 2649 2998, Mobile : 932225270

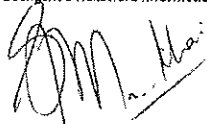
Guangzhou Hexaware Information Technologies Company Limited
Balance Sheet as at 31st December 2016

Currency - CNY

Particulars	Note No.	As at 31st December 2016	As at 31st December 2015
I. EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	3	652,814	159,445
Reserves and Surplus	4	(480,337)	(118,481)
		182,477	40,964
Total		182,477	40,964
II. ASSETS			
Current Assets :			
Cash and Cash Equivalents - in current accounts		178,647	37,247
Short term loans and advances		3,830	3,717
		182,477	40,964
Total		182,477	40,964

III. Notes forming part of Financial Statements - 1 to 9

Guangzhou Hexaware Information Technologies Company Limited



Shyam J. Mansukhani
 Authorised Signatory

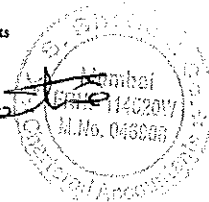
Place : Mumbai
 Date : 20th January 2017

As per our report of even date

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



Koushik Bhatia
 Partner
 M. No. 046908



Place : Mumbai
 Date : 20th January 2017


Guangzhou Hexaware Information Technologies Company Limited
Profit and Loss account for the year ended 31st December 2016

Currency - CNY

Particulars		For the year ended 31st December 2016	For the period ended 31st December 2015
I. INCOME			
Interest Income		196	94
		196	94
II. EXPENSES			
Employee benefits Expenses	5	303,777	95,465
Operation and other Expenses	6	56,757	22,727
Exchange Rate Difference (net)		1,518	383
		362,052	118,575
Loss for the year/(period)		<u>(361,856)</u>	<u>(118,481)</u>

III. Notes forming part of Financial Statements - 1 to 9

Guangzhou Hexaware Information Technologies Company Limited

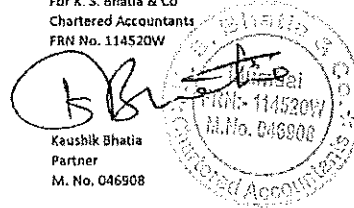


Shyam J. Mansukhani
Authorised Signatory

Place : Mumbai
Date : 20th January 2017

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 : 20th January 2017

Guangzhou Hexaware Information Technologies Company Limited
 Cash Flow Statement for the year ended 31st December 2016

Currency - CNY

Particulars	For the year ended 31st December 2016	For the period ended 31st December 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Tax	(361,856)	(118,481)
<u>Adjustments for</u> Trade and Other Receivables	(113)	(3,717)
CASH USED IN OPERATIONS	(361,969)	(122,198)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Share Capital	503,369	159,445
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B)	141,400	37,247
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	37,247	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/(PERIOD) (refer balance sheet)	178,647	37,247

As per our report of even date

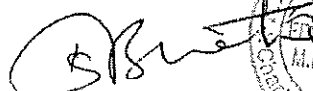
for Guangzhou Hexaware Information Technologies Company Limited



Shyam J Mansukhani
 Authorised Signatory

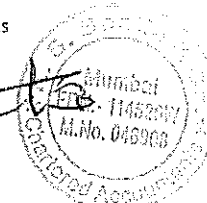
Place : Mumbai
 Date : 20th January 2017

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



Kaushik Bhatia
 Partner
 M. No. 046908

Place : Mumbai
 Date : 20th January 2017



Guangzhou Hexaware Information Technologies Company Limited

Notes Forming Part of Financial Statements

1 Background:

Guangzhou Hexaware Information Technologies Company Limited incorporated on 21st May 2015. The Company is engaged in providing business process outsourcing / Call center services. It operates in various service lines like Human Resource outsourcing, Healthcare outsourcing, Finance/ Accounts Management and Knowledge Process Outsourcing. the company is the Wholly Owned subsidiary of Hexaware Technologies Ltd India.

2 Significant Accounting Policies:-

2.1 Basis of preparation:-

These financial statements are prepared in accordance with generally accepted accounting principles applicable in India under the historical cost convention and are, to the extent possible, in same format as that adopted by the holding company for its separate financials.

2.2 Use of Estimates:-

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment

2.3 Revenue Recognition:-

The Company's revenue from business process management and software support and related activities arises from unit-priced contracts, time-based contracts and cost based projects and services. Such revenue is recognised on completion of the related services and is billed in accordance with the terms of the contract with client.

2.4 Foreign Currency Transactions:-

Transactions in foreign currency are recorded at the original rates of the exchange in force at the time transactions are effected. Exchange differences arising on settlement of all transactions are recognized in the statement of profit and loss.

Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognized in the statement of profit and loss.

2.5 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.

2.6 Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS) 22 on "Accounting for Taxes on Income". Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using the applicable tax rates. Deferred taxes are recognised for future tax consequence attributable to timing difference between taxable income and accounting income, measured at relevant enacted / substantively enacted tax rates.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash, current account balances.

2.8 Employee Benefits

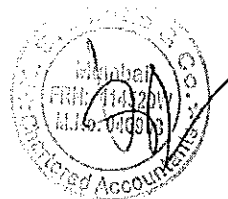
The Company contributes to the employee benefit Scheme as per the Labour Law Regulations as applicable in China Republic.



Guangzhou Hexaware Information Technologies Company Limited
Notes to the Financial Statements

Currency - CNY

Particulars	As at 31st December 2016		As at 31st December 2015																					
	<p>3 SHARE CAPITAL Issued Subscribed and Paid-up Capital Face value USD 5000 each (converted in CNY) Reconciliation of number of shares Shares outstanding at the beginning of the year</p> <table border="1" data-bbox="542 481 837 582"> <thead> <tr> <th colspan="2">2016</th> <th colspan="2">2015</th> </tr> <tr> <th>Numbers</th> <th>Amount</th> <th>Numbers</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>159,445</td> <td>5</td> <td>159,445</td> </tr> <tr> <td>15</td> <td>503,369</td> <td>-</td> <td>-</td> </tr> <tr> <td>20</td> <td>662,814</td> <td>5</td> <td>159,445</td> </tr> </tbody> </table> <p>(The entire share capital is held by Hexaware Technologies Ltd India, the Holding Company)</p> <p>Rights, preferences and restrictions attached to equity shares: The Company has one class of equity shares of USD 5,000 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding</p>	2016		2015		Numbers	Amount	Numbers	Amount	5	159,445	5	159,445	15	503,369	-	-	20	662,814	5	159,445	662,814	159,445	
2016		2015																						
Numbers	Amount	Numbers	Amount																					
5	159,445	5	159,445																					
15	503,369	-	-																					
20	662,814	5	159,445																					
		<u>662,814</u>		<u>159,445</u>																				
<p>4 RESERVES & SURPLUS Balance in Statement of Profit & Loss Opening balance Add: Loss for the year/(period) Closing balance</p>	(118,481)		-																					
	<u>(361,856)</u>		<u>(118,481)</u>																					
		<u>(480,337)</u>		<u>(118,481)</u>																				



Guangzhou Hexaware Information Technologies Company Limited
Notes to the Financial Statements

Currency - CNY

Particulars	For the year ended 31st December 2016	For the period ended 31st December 2015
5 Employee Benefits Expenses		
Salaries and allowances	229,675	66,182
Employee benefits	74,102	29,283
	303,777	95,465
6 Operations and Other Expenses		
Rent	45,480	7,340
Rates & Taxes	-	8,500
Printing & Stationery	4,204	1,890
Legal & Professional Charges	4,017	4,725
Bank and other charges	3,056	272
	56,757	22,727



7 Segments

The Company operates in only one Segment - BPS.

8 Related Parties Disclosures:

i) Name of Related parties and description of relationship:

		Country
Ultimate Holding Company and its subsidiaries	Baring Private Equity Asia GP V. LP	Cayman Island
	The Baring Asia Private Equity Fund V, LP	Cayman Island
	Baring Private Equity Asia V Mauritius Holding (4) Limited	Mauritius
	HT Global IT solutions Holding Limited	Mauritius
Holding company	Hexaware Technologies Limited.	India

ii) Related party transactions

For the year ended December 2016

Sr. No.	Description and nature of transaction	Holding Company 2016
1	Issue of Share	503,369

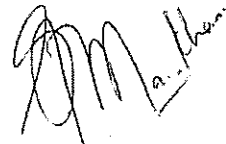
9 Employee Benefits

During the year, the Company has recognized expenses towards contribution to social security CNY 74,102/- (previous year CNY 29,284/-)

In terms of our attached report of even date

III. Notes forming part of Financial Statements - 1 to 9

Guangzhou Hexaware Information Technologies Company Limited



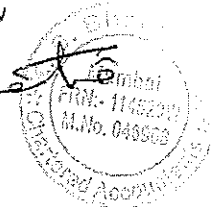
Shyam J Mansukhani
Authorised Signatory

Place : Mumbai
Date : 20th January 2017

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



Kaushik Bhatia
Partner
M. No. 046908



Place : Mumbai
Date : 20th January 2017