



January, 17, 2017

Hexaware Technologia Do Brasil LTDA,
Brazil.

Dear Sirs,

We have reviewed the attached accounts and notes of Hexaware Technologia Do Brasil LTDA, for the the year ended at 31st December 2016 which have been prepared by the company for the purpose of attachment to the accounts of its Holding company.

We confirm the attached accounts have been prepared from by the company taking as a reference the information from the books and records of the same and are in accordance with the statutory accounts of Hexaware Technologia Do Brasil LTDA., Brazil as audited by us in accordance with Brazilian GAAP.

For Chartered Accountants

A handwritten signature in black ink, appearing to read 'Ariane Erthal', written over a vertical line.

Ariane Erthal

Partner

HEXAWARE TECNOLOGIA DO BRASIL LTDA
BALANCE SHEET AS AT 31ST DECEMBER 2016

Particulars	As at	
	31st December 2016 BRL	31st December 2015 BRL
IV. EQUITY AND LIABILITIES		
Share Holders' Funds :		
a. Share Capital	17.600	1.800
b. Reserves and Surplus	152.984	68.674
	170.584	70.474
Current liabilities :		
a. Short-term borrowings	40.364	57.836
b. Trade Payables	200.672	225.017
c. Other Current Liabilities	288.499	222.430
d. Short Term Provisions	145.074	144.051
	674.609	649.404
Total	845.193	719.878
II. ASSETS		
Non-current assets		
1 a. Fixed Assets :		
i) Tangible Assets	1.002	1.472
Current Assets :		
a. Trade Receivables	666.470	477.761
b. Cash and Cash Equivalents - in bank current accounts	169.916	221.733
c. Short-term Loans and Advances	7.805	18.832
	844.191	718.406
Total	845.193	719.878

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

In terms of our attached report of even date

For AE Company
Chartered Accountants

Ariyam-Orthal
Partner

Place : Brazil, Jan 17 2017
Date :

For and on behalf of the Board


Ramresh Vignathan
Authorized Signatory

Place : London, UK
Date :

HEXAWARE TECHNOLOGIA DO BRASIL LTDA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER 2016

Particulars	Note No.	For the Year ended 31st December 2016 BRL	For the Year ended 31st December 2015 BRL
I. INCOME			
a. Revenue from Operations		2,156,728	1,859,997
a. Revenue from Operations			
II. EXPENSES			
a. Software and Development Expenses	"10"	1,271	1,342
b. Employee Benefits Expenses	"11"	1,821,186	1,373,470
c. Operation and Other Expenses	"12"	250,126	239,127
d. Exchange Rate Difference (net)	"13"	(59,317)	113,554
e. Finance Costs	"7"	5,645	12,624
f. Depreciation and a mortization expense		470	470
		<u>2,019,381</u>	<u>1,740,587</u>
Profit for the Period		137,347	119,410
Tax expense			
- Income Tax - Current Taxes		53,037	28,730
Profit After Tax		<u>84,310</u>	<u>90,680</u>
Earnings Per Share	"15"	27,05	50,38
Basic and Diluted			

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

In terms of our attached report of even date

For AE Company
Chartered Accountants

Arbale Erthal
Partner.

Place : Brazil, Jan 17, 2017
Date :

For and on behalf of the Board


Ramesh Viswanathan
Authorized Signatory

Place : London, UK
Date :

Particulars	YEAR ENDED 31ST DECEMBER 2016	YEAR ENDED 31ST DECEMBER 2015
	BRL	BRL
Cash Flow from operating activities		
Net Profit/(Loss) before tax	137,347	119,410
Adjustments for:		
Depreciation	470	470
Interest expense	5,645	12,624
Foreign exchange fluctuation on account of borrowing	(17,492)	16,466
Operating profit/(loss) before working capital changes	125,970	148,970
Adjustments for:		
Trade and other receivables	(182,868)	(311,772)
Trade and other payables	34,494	305,793
Net Cash Generated from Operations	(22,404)	142,991
Direct Taxes Paid	(43,082)	(5,407)
Net Cash from Operating Activities	(65,486)	137,584
Cash flow from investing activities		
Purchase of fixed assets	-	-
Net cash used In Investing activities	-	-
Cash flow from financing activities		
Proceeds from Issue of Shares	15,800	-
Interest paid	(2,181)	(18,665)
Net Cash(used In)/Financing Activities	13,619	(18,665)
Net increase/decrease in cash and cash equivalents	(51,867)	118,919
Cash and cash equivalents at the beginning of the year	221,783	102,864
Cash and cash equivalents at the end of the year	169,916	221,783

In terms of our attached Report of even date

For AE Company
Chartered Accountants


Ariane Erthal
Partner

Place : Brazil, Jan 17 2017
Date :

For and on behalf of the Board


Ramesh Viswanathan
Authorised Signatory

Place : London, Vic
Date :

Hexaware Technologia Do Brasil LTDA

Notes Forming Part of the Condense Financial Statements

NOTE "1"

A. Company Overview

Hexaware Technologia Do Brasil LTDA (the Company), incorporated in Brazil, is a ultimate wholly owned subsidiary of Hexaware Technologies Limited a foreign corporation incorporated in India. These accounts have been prepared and audited for the purpose of consolidation with Hexaware Technologies Ltd.

Hexaware Technologia Do Brasil LTDA is in the business of providing software services.

The Company was incorporated on 14th May 2010.

B. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

1. a) These financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles, and the applicable accounting standards.
- b) The local accounts are maintained in local and functional currency, which is the Brazilian Real ("BRL").

Significant accounting policies

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 recognised in the period in which the results are known/materialise.

Hexaware Technologia Do Brasil LTDA

3 Revenue Recognition

- a) Revenues from software solutions and consulting services are recognised on specified terms of contract in case of contract on time basis and in case of fixed price contracts revenue is recognised using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of 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 included in other current assets, represents amount recognised based on services performed in advance of billing in accordance with contract terms.
- b) Interest income is recognised on the time proportion basis.

4 Fixed Assets

Fixed assets stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets.

Intangible assets are recorded at cost of acquisition and are carried at cost less accumulated amortization and accumulated impairment loss, if any

5 Depreciation and Amortization

Depreciation and Amortization on fixed assets is provided on straight-line method on pro rata basis and based on the estimated useful lives of the assets, as determined by the management.

The Management estimates the useful lives for various fixed assets as follows.

Asset Class	Estimated useful Life
Computer Systems (included in Plant and Machinery)	3 years
Software	3 years
Office Equipment (included in Plant and Machinery)	5 years
Furniture and Fixtures	8 years
Leasehold Improvements	Over the period of lease
Vehicles	4 Years

Hexaware Technologia Do Brasil LTDA

6 Foreign Currency Transaction / Translation

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Profit and Loss Account.

Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the date of the Balance Sheet and the resulting net exchange difference is recognized in the Profit and Loss Account.

7 Employee Benefits

a) Postemployment benefits and other long term benefit plans

Entity's contribution to defined contribution retirement schemes viz. contribution to the Social Security is charged to Profit and Loss account.

b) Short term employee benefits

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 / encashed within a year and short term medical insurance contribution plans.

8 Borrowing Costs

Borrowing costs 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 charged to revenue.

9 Taxes on income

Tax expense comprises both 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 tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted or substantively enacted tax rates. At each balance sheet date the entity reassesses unrealised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

10 Provisions, Contingent Liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when as a result of past events there is a present obligation that can be estimated reliably and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Hexaware Technologia Do Brasil LTDA

NOTES TO BALANCE SHEET

Particulars	As at 31st December 2016		As at 31st December 2015	
	BRL	BRL	BRL	BRL
NOTE "2" - SHARE CAPITAL				
a. Authorised				
17,600 SHARES OF BRL 1 EACH		17,600		17,600
		<u>17,600</u>		<u>17,600</u>
b. Issued, Subscribed and Paid-up Capital				
Equity :				
17600 (1800) SHARES OF BRL 1 EACH		17,600		1,800
(Held by Hexaware Technologies UK Limited)		<u>17,600</u>		<u>1,800</u>
c. <u>Reconciliation of number of shares</u>				
<u>Particulars</u>	<u>Numbers</u>	<u>Amount</u>	<u>Numbers</u>	<u>Amount</u>
Shares outstanding at the beginning of the year	1,800	1,800	1,800	1,800
Shares Issued during the year	15,800	15,800	-	-
Shares outstanding at the end of the year	<u>17,600</u>	<u>17,600</u>	<u>1,800</u>	<u>1,800</u>
d. <u>Details of shares held by shareholders holding more than 5% shares</u>				
<u>Name of Shareholder</u>	<u>Nos. of Shares</u>	<u>% of holding</u>	<u>Nos. of Shares</u>	<u>% of holding</u>
Hexaware Technologies UK Limited	17424	99	1800	100
e. <u>Rights, preferences and restrictions attached to equity shares</u>				
The Company has one class of equity shares having a par value of BRL 1 each having a right to one vote for each share.				
NOTE "3" - RESERVES AND SURPLUS				
Balance in Statement of Profit and Loss				
Opening Balance		68,674		(22,006)
Add : Profit for the year		<u>84,310</u>		<u>90,680</u>
		152,984		68,674
Total		<u><u>152,984</u></u>		<u><u>68,674</u></u>

Hexaware Technologia Do Brasil LTDA

Particulars	As at 31st December 2016		As at 31st December 2015	
	BRL	BRL	BRL	BRL
NOTE "4" - SHORT TERM BORROWINGS				
a) Secured Loans				
Loans repayable on demand				
Unsecured Loans		40,364		57,856
 (Unsecured Loans from Hexaware Technologies UK Limited originally repayable after 721 days from the date of receipt, which is further extended for a period of 48 months bearing interest at the rate of 3 months Libor + 200 basis Points)				
Total		<u>40,364</u>		<u>57,856</u>
 NOTE "5" - OTHER CURRENT LIABILITIES				
Interest accrued and not due on borrowing		4,772		1,308
Other Payables				
- Employee related	201,030		138,230	
- Statutory liabilities	<u>82,697</u>		<u>82,942</u>	
		283,727		221,172
Total		<u>288,499</u>		<u>222,480</u>
 NOTE "6" - SHORT TERM PROVISIONS				
Provision for taxation (net of advance tax)		4,739		-
Provision for employee benefits (compensated absences)		140,335		144,051
Total		<u>145,074</u>		<u>144,051</u>

Hexaware Technologia Do Brasil LTDA

Particulars	As at 31st December 2016		As at 31st December 2015	
	BRL	BRL	BRL	BRL

NOTES "7" - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	AS AT 01.01.2016	ADDITIONS	AS AT 31.12.2016	AS AT 01.01.2016	FOR THE PERIOD	AS AT 31.12.2016	AS AT 31.12.2016	AS AT 31.12.2015
PLANT AND MACHINERY (INCLUDING COMPUTERS)	2,350		2,350	878	470	1,348	1,002	1,472
CURRENT PERIOD TOTAL	2,350	-	2,350	878	470	1,348	1,002	1,472
PREVIOUS YEAR TOTAL	2,350	-	2,350	408	470	878	1,472	-

NOTE "B" - TRADE RECEIVABLES (UNSECURED CONSIDERED GOOD)

Over Six months from the due date of payment	-	-
Others		
Considered good	656,470	477,761
Considered doubtful	-	-
Total	656,470	477,761

NOTE "9" - SHORT TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)

Advance Income Tax (net of provision for tax)	-	5,216
Other Loans and advances	7,805	13,646
Total	7,805	18,862

Hexaware Technologia Do Brasil LTDA

NOTES TO PROFIT AND LOSS ACCOUNT

Particulars	For the Year ended 31st December 2016		For the Year ended 31st December 2015	
	BRL	BRL	BRL	BRL
NOTE "10" - SOFTWARE AND DEVELOPMENT EXPENSES				
Consultant travel and related expenses		1,271		1,342
Total		<u>1,271</u>		<u>1,342</u>
NOTE "11" - EMPLOYMENT BENEFITS EXPENSES				
Salary and other allowances		1,957,822		1,083,295
Contribution to funds		428,087		260,969
Staff welfare expenses		35,277		29,206
Total		<u>1,821,186</u>		<u>1,373,470</u>
NOTE "12" - OPERATION AND OTHER EXPENSES				
Rent		4,662		9,378
Rates and taxes		109,779		114,766
Travelling and conveyance expenses		6,040		(930)
Communication expenses		658		2,217
Printing and stationery		-		80
Legal and professional fees		124,035		109,452
Bank and other charges		4,952		4,164
Total		<u>250,126</u>		<u>239,127</u>
NOTE "13" - FINANCE COSTS				
On term Loans		4,437		5,133
Others		1,209		7,491
Total		<u>5,645</u>		<u>12,624</u>

Hexaware Technologia Do Brasil LTDA

NOTE "14" Related Parties Disclosures

i) Name of Related Parties and Description of Relationship:

Ultimate Holding Company and its subsidiaries - Baring Private Equity Asia GP V. LP

- The Baring Asia Private Equity Fund V, LP
- Baring Private Equity Asia V Mauritius Holding(4) Limited
- HT Global IT solutions Holding Limited
- Hexaware Technologies Limited

Holding Company - Hexaware Technologies UK Limited

Fellow Subsidiaries - Hexaware Technologies, Inc., USA

ii) Related Party Transactions:

(in BRL)

Sr. No	Nature of Transaction	Name of Related party and Nature of relationship	For the Year Ended 31st December 2016	For the Year Ended 31st December 2015
1	Software Consulting Income	Fellow Subsidiaries Hexaware Technologies Inc.	2,156,728	1,899,996
2	Interest expenses	Holding Company	4,437	5,133

Sr. No	Particulars	Name of Related party and Nature of relationship	As at 31st December 2016	As at 31st December 2015
1	Trade Receivables	Fellow Subsidiaries Hexaware Technologies Inc.	666,470	477,761
2	Trade payables	Fellow Subsidiaries Hexaware Technologies Inc.	169,571	203,135
3	Interest payable	Holding Company	4,772	1,308
4	Unsecured Loans Taken	Holding Company		
	Opening Balance		57,856	41,390
	Exchange rate difference		(17,492)	16,466
	Closing Balance		40,364	57,856

Hexaware Technologia Do Brasil LTDA

NOTE "15" Earnings per Share (EPS):

Earnings per share is calculated as follows	For the Year Ended 31st December 2016	For the Year Ended 31st December 2015
	BRL	BRL
Net Profit as per Consolidated Statement of Profit and Loss.	84,310	90,680
Weighted average outstanding participation shares (Nos.)	3117	1800
Face value of participation shares	1	1
Basic and diluted earnings per participation share	27.05	50.38

NOTE "16" Unhedged foreign currency exposure:

As of the Balance Sheet date the Company has net payable Foreign Currency exposure that are not hedged by a derivative instrument or otherwise amounting to BRL 214,707 (Previous year net foreign currency BRL 262,299.)

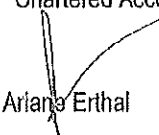
NOTE "17" - The information contained in these financial statements for the year ended 31st December, 2016 disclosed in BRL is extracted from books of account locally maintained. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

NOTES 1 TO 17 FORM AN INTEGRAL PART OF THE ACCOUNTS

In terms of our attached Report of even date

For AE Company

Chartered Accountants


Ariane Erthal

Partner.

For and on Behalf of the Company


Ramesh Visvanathan

(Authorized Signatory)

Place : Brazil, Jan 17 2017

Date :

Place: London, UK.

Date :