

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES INC.

Report on the Financial Statements

We have audited the accompanying financial statements of **HEXAWARE TECHNOLOGIES INC.** ("the Company"), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 accounting principles generally accepted 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.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing issued by 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 financial statements are free from material misstatement.

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 those risk assessments, the auditor considers internal financial control 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 December 31, 2016 and its profit and its cash flows for the year ended on that date.

Other Matter

This report is issued only for the purpose of consolidation of financial statement of the Company with the holding company, Hexaware Technologies Limited, and to comply with the provisions of Section 129 of the Companies Act, 2013 and should not be used for any other purposes.

Report on Other Requirements

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

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



Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, February 6, 2017

HEXAWARE TECHNOLOGIES INC.
BALANCE SHEET AS AT 31ST DECEMBER 2016

Particulars	Note No.	As at		As at	
		31st December, 2016 US \$	31st December, 2015 US \$	31st December, 2015 US \$	31st December, 2015 US \$
I. EQUITY AND LIABILITIES					
Share holders' funds :					
a. Share capital	"3"	8,031,657		8,031,657	
b. Reserves and surplus	"4"	35,141,480	43,173,137	28,864,405	34,896,000
Current liabilities :					
a. Trade payables		45,719,585		59,854,245	
b. Other current liabilities	"5"	21,886,153		19,901,711	
c. Short term provisions	"6"	8,065,946	75,671,684	7,089,588	86,845,540
Total			118,844,821		121,741,600
II. ASSETS					
Non-current assets :					
a. Fixed assets	"7"				
i. Tangible assets		2,090,857		1,883,399	
ii. Intangible assets		347,870	2,438,727	205,367	2,088,760
b. Non-current investments	"8"		274		274
c. Deferred tax asset (net)	"21"		5,733,000		5,035,000
d. Long-term loans and advances	"9"		2,268,825		185,900
e. Other non-current assets	"10"		-		600,000
Current assets :					
a. Trade receivables	"11"	53,127,615		54,983,090	
b. Cash and cash equivalents	"12"	22,830,800		35,082,119	
c. Short-term loans and advances	"13"	2,790,779		3,132,262	
d. Other current assets	"14"	29,654,801	108,403,995	20,634,192	113,831,660
Total			118,844,821		121,741,600

III. NOTES FORMING PART OF FINANCIAL STATEMENTS "1 to 29"

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Abhijit A. Damle
Partner

For and on behalf of the board



R. Srikrishna
(Director)

Place : Mumbai
Date : 6th February, 2017



HEXAWARE TECHNOLOGIES INC.
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST DECEMBER 2016

Particulars	Note	For the year ended 31st December, 2016		For the year ended 31st December, 2015	
		US \$	US \$	US \$	US \$
I. INCOME					
a. Revenue from operations		371,697,051		327,989,404	
b. Other income	"15"	40,078		133,389	
			371,737,129		328,122,793
II. EXPENSES					
a. Software and development expenses	"16"	184,184,111		163,398,184	
b. Employee benefits expense	"17"	154,756,998		137,581,287	
c. Operation and other expenses	"18"	17,933,473		14,669,890	
d. Interest - others		1,280		10,333	
e. Depreciation and amortisation expense	"7"	899,287		646,086	
			357,775,149		316,305,780
Profit before tax			13,961,980		11,817,013
Tax expense					
a. Current Taxes		6,382,905		5,438,449	
b. Deferred Taxes		(698,000)		(670,000)	
			5,684,905		4,768,449
Profit for the year			8,277,075		7,048,564
Earnings per share					
Basic and Diluted	"23"		275.65		234.74

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

"1 to 29"

In terms of our report attached


For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board



Abhijit A. Damle
Partner

Place : Mumbai
Date : 6th February, 2017

R. Srinivasa
(Director)

Hexaware Technologies Inc.

Cash Flow Statement for the year ended 31st December 2016

Particulars	Year ended 31st December 2016	Year ended 31st December 2015
	US \$	US \$
A Cash Flow from operating activities		
Net profit before tax	13,961,980	11,817,033
Adjustments for:		
Depreciation, amortisation and Impairment	899,287	646,066
Foreign exchange fluctuation	108,774	(139,274)
Surplus on closure of subsidiary	-	(49,342)
Loss on fixed assets writenoff (net)	9,700	-
Provision for doubtful debts (net)	10,000	(157,000)
Interest income	(1,035)	(883)
Interest expense	1,280	10,333
Operating profit before working capital changes	14,989,986	12,126,933
Adjustments for:		
Trade and other receivables	(8,429,613)	(14,316,127)
Trade and other payables / provisions	(11,578,037)	19,685,838
Cash (used in) / generated from operations	(5,017,664)	17,496,644
Direct Taxes Paid	(5,965,805)	(4,452,145)
Net cash (used in) / generated from operating activities	(10,983,469)	13,044,499
B Cash flow from investing activities		
Purchase of fixed assets	(1,158,831)	(1,699,889)
Proceeds from closure of subsidiary	-	47,525
Interest received	1,035	883
Net cash used in investing activities	(1,157,796)	(1,651,481)
C Cash flow from financing activities		
Interest Paid	(1,280)	(10,333)
Net cash used in financing activities	(1,280)	(10,333)
Net (decrease) / increase in cash and cash equivalents	(12,142,545)	11,382,685
Cash and cash equivalents at the beginning of the year	35,000,659	23,617,974
Cash and cash equivalents at the end of the year	22,858,114	35,000,659

Notes:

1. Components of cash and cash equivalents comprise the following

	As at 31st December, 2016	As at 31st December, 2015
	US \$	US \$
- Cash and Bank Balance (refer note no. 12)	22,830,800	35,082,119
- Unrealised Loss / (gain) on foreign currency cash and cash equivalents	27,314	(81,460)
Total Cash and Cash equivalents	22,858,114	35,000,659

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Abhijit A. Damle
Partner

For and on behalf of the Board



R. S. Krishna
(Director)



Place: Mumbai
Date : 6th February, 2017

Hexaware Technologies Inc.

Notes forming part of Financial Statements

NOTE "1" - Company Overview

Hexaware Technologies Inc. ("HTI" or "the Company"), incorporated in March 1994 under the laws of the State of New Jersey, is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India ("Hexaware" or "the Holding Company"). These accounts have been prepared and audited for the purpose of consolidation with holding company and for the purpose of compliance with section 129 of the Companies Act, 2013.

Hexaware Technologies, Inc. provides information technology ("IT") services and solutions to its clientele, primarily in the form of professional IT consulting services. Its technological and managerial infrastructure also provides other IT services, including client/server systems consultation and development, systems migration, re-engineering, E-commerce services.

The Company has various regional sales offices in the United States of America and also has operations in Canada.

NOTE "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, in the same format as that adopted by the holding company for its separate financial statements.

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 and disclosures relating to contingent 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. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development, the useful lives of depreciable fixed assets and provisions for impairment.

2.3 Revenue Recognition

- a) Revenues from software solutions and consulting services are recognised on specified terms of contract. In case of contract on time and material basis revenue is recognised when the related services are performed 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 assets, represents amount recognised based on services performed in advance of billing in accordance with contract terms. Revenue is reported net of discount / incentive.
- b) Dividend income is recognised when right to receive is established.
- c) Interest income is recognised on time proportion basis.



Hexaware Technologies Inc.

Notes forming part of Financial Statements

2.4 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets to bring these to working conditions for intended use.

2.5 Depreciation and Amortisation

Depreciation and amortisation on fixed assets is provided on straight-line method on pro rata basis, based on the estimated useful lives of the assets, as follows.

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

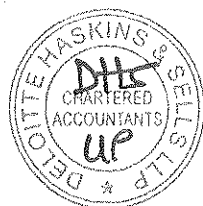
2.6 Investments

Long term investments are stated at cost. Provision is made for diminution in the value of long term investments, if such diminution is other than temporary. Current investments are carried at cost or fair value, whichever is lower.

2.7 Foreign Currency Transaction

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 Statement of Profit and Loss.

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 Statement of Profit and Loss.



Hexaware Technologies Inc.

Notes forming part of Financial Statements

2.8 Employee Benefits

a) Post employment benefits and other long term benefit plans:

Company's contribution to defined contribution retirement schemes viz. contribution to the State and Federal pension plans is charged to Statement of Profit and Loss.

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.

2.9 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.

2.10 Leases

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.

2.11 Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 (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.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and when the entity intends to settle the asset and liability on a net basis.



Hexaware Technologies Inc.

Notes forming part of Financial Statements

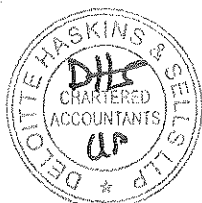
2.12 Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 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.

Particulars	As at		As at	
	31st December, 2016		31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "3" - SHARE CAPITAL				
a. Authorised				
100,000 (100,000) SHARES IN COMMON STOCK OF NO PAR VALUE		-		-
		-----		-----
		-		-
		=====		=====
b. Issued, subscribed and fully paid-up capital				
30,027 (30,027) SHARES IN COMMON STOCK OF NO PAR VALUE		8,031,657		8,031,657
		-----		-----
Total		8,031,657		8,031,657
		=====		=====
c. All shares are held by Hexaware Technologies Limited, the holding company, since incorporation of the company.				
d. Rights, preferences and restrictions attached to common stock				
The Company has one class of common stock having no par value. Each shareholder is eligible for one vote per share held. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the company.				



Hexaware Technologies Inc.

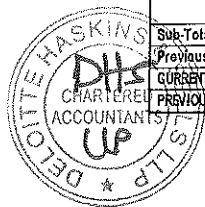
Notes forming part of Financial Statements

Particulars	As at 31st December, 2016		As at 31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "4" - RESERVES AND SURPLUS				
Reserve On Merger As Per Last Balance Sheet		88,411		98,411
Additional Paid In Capital (Securities Premium Account) As per last Balance Sheet		142,951		142,951
Balance in Statement of Profit and Loss				
Opening balance	26,623,043		19,574,459	
Add : Profit for the year	8,277,075		7,048,584	
Closing balance		34,900,118		26,623,043
Total		35,141,480		26,864,405
NOTE "5" - OTHER CURRENT LIABILITIES				
Unearned revenues		2,757,240		2,802,290
Other payables				
- Employee related		11,705,164		9,907,929
- Statutory liabilities		1,129,569		995,577
- Payable for purchase of fixed assets		11,687		21,570
- Other liabilities		6,282,493		6,174,345
Total		21,886,153		19,901,711
NOTE "6" - SHORT TERM PROVISIONS				
Provision for Employee Benefits				
- Compensated absences		5,704,524		5,040,204
Provision for taxation (net of advance tax)		1,106,302		692,242
Provision "Others" (Refer note 26)		1,255,120		1,357,142
Total		8,065,946		7,089,588

NOTE "7" - FIXED ASSETS

(Amount in US \$)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	AS AT 01.01.2016	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31.12.2016	AS AT 01.01.2016	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	AS AT 31.12.2016	AS AT 31.12.2016	AS AT 31.12.2016
TANGIBLE ASSETS:										
FURNITURE AND FIXTURES	886,932	173,505	63,485	996,952	404,284	100,986	53,785	451,485	545,467	482,648
PLANT AND MACHINERY (INCLUDING COMPUTER SYSTEMS)	1,525,531	343,803	-	1,869,334	1,031,095	333,091	-	1,364,186	505,148	494,436
OFFICE EQUIPMENTS	188,595	59,887	50,936	197,546	116,235	33,238	50,936	98,537	99,009	72,360
VEHICLES	27,912	-	-	27,912	27,912	-	-	27,912	-	-
LEASEHOLD IMPROVEMENTS	1,039,847	387,261	8,718	1,418,390	205,892	279,983	8,718	477,157	941,233	833,955
Sub-Total	3,668,817	964,456	123,139	4,510,134	1,785,418	747,298	113,439	2,419,277	2,090,857	1,883,399
Previous Year	2,474,524	1,467,219	272,926	3,668,817	1,594,839	463,505	272,926	1,785,418	1,883,399	
INTANGIBLE ASSETS:										
SOFTWARE	755,553	294,492	-	1,050,045	550,186	151,989	-	702,175	347,870	205,367
Sub-Total	755,553	294,492	-	1,050,045	550,186	151,989	-	702,175	347,870	205,367
Previous Year	611,313	144,240	-	755,553	367,625	182,561	-	550,186	205,367	
CURRENT PERIOD TOTAL	4,424,370	1,258,948	123,139	5,560,179	2,335,604	899,287	113,439	3,121,452	2,438,727	2,088,766
PREVIOUS YEAR TOTAL	3,085,837	1,611,459	272,926	4,424,370	1,962,464	646,066	272,926	2,335,604	2,088,766	

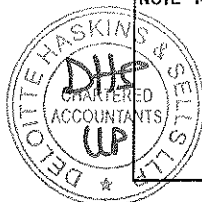


Hexaware Technologies Inc.

Notes forming part of Financial Statements

Particulars	As at 31st December, 2016		As at 31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "8" - NON CURRENT INVESTMENTS				
Trade investments (unquoted)				
(i) Others (at cost)				
1 (1) participation share in Hexaware Technologies, Mexico S De R.L. De C.V. at par, a fellow subsidiary		274		274
Total		274		274
NOTE "9" - LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)				
Security Deposits		72,063		75,903
Capital Advance		-		110,000
Other Loans and advances		2,198,762		-
Total		2,268,825		185,903
NOTE "10" - OTHER NON CURRENT ASSETS				
Unbilled services		-		600,000
Total		-		600,000
NOTE "11" - TRADE RECEIVABLES (UNSECURED)				
a. Over six months from the due date of payment				
Considered good		14,111,012		15,923,761
Considered doubtful		258,650		313,027
b. Others				
Considered good		39,016,603		39,059,329
Considered doubtful		81,350		16,973
		53,467,615		55,313,090
Less: Provision for doubtful receivables		340,000		330,000
Total		53,127,615		54,983,090

Particulars	As at 31st December, 2016		As at 31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "12" - CASH AND CASH EQUIVALENTS				
Balances with banks				
In current accounts		22,830,800		35,082,119
Total		22,830,800		35,082,119
NOTE "13" - SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)				
Security deposits		30,778		35,948
Advances to related parties (Refer note 22)		231,200		1,653,209
Advance Income Tax (net of provision for tax)		234,460		237,500
Others		2,294,341		1,205,605
Total		2,790,779		3,132,262
NOTE "14" - OTHER CURRENT ASSETS				
Unbilled services		29,654,801		20,634,192
Total		29,654,801		20,634,192

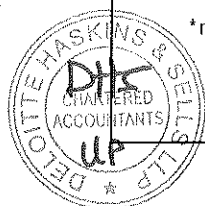


Hexaware Technologies Inc.

Notes forming part of Financial Statements

Particulars	For the year ended 31st December, 2016		For the year ended 31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "15" - OTHER INCOME				
Interest income - others		1,035		883
Surplus on closure of Subsidiary		-		49,342
Sundry balances written back		26,543		83,164
Miscellaneous income		12,500		-
Total		40,078		133,389
NOTE "16" - SOFTWARE AND DEVELOPMENT EXPENSES				
Consultant travel and related expenses		15,606,331		13,935,366
Software expenses *		168,577,780		149,462,818
Total		184,184,111		163,398,184
* Includes subcontracting charges		167,173,076		148,538,371
NOTE "17" - EMPLOYEE BENEFITS EXPENSE				
Salaries and allowances		133,278,750		118,998,112
Contribution to funds		19,956,398		17,373,914
Staff welfare expenses		1,521,850		1,209,261
Total		154,756,998		137,581,287

Particulars	For the year ended 31st December, 2016		For the year ended 31st December, 2015	
	US \$	US \$	US \$	US \$
NOTE "18" - OPERATIONS AND OTHER EXPENSES				
Rent (Refer note 25)		2,074,074		1,389,493
Rates and taxes		62,059		28,896
Travelling and conveyance expenses		5,709,028		5,337,908
Electricity charges		29,226		49,927
Communication expenses		1,126,142		983,329
Repairs and maintenance		1,163,985		569,440
Printing and stationery		88,070		59,319
Audit fees		166,815		165,427
Legal and professional fees		545,862		439,704
Advertisement and publicity		27,667		128,970
Seminar and conference expenses		2,652,483		1,059,454
Bank and other charges		19,549		17,163
Exchange rate differences (net)		36,846		508,551
Membership and Subscription charges		25,648		516,863
Insurance charges		478,758		439,279
Loss on sale / disposal of fixed assets (net)		9,700		-
Bad debts / advances written off		-		118,798
Provision for doubtful accounts *		10,000		(157,000)
Staff recruitment expenses		1,680,936		1,487,747
Miscellaneous expenses		2,026,625		1,548,622
Total		17,933,473		14,669,880
* net off write back		124,362		77,550



Hexaware Technologies Inc.

Notes forming part of Financial Statements

NOTE "19" - Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) US \$ Nil (Previous year US \$ 102,134).

NOTE "20" - Employee Benefits:

The Company recognized US \$ 7,754,034 (Previous Year US \$ 6,630,123) for pension fund contributions in Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes and the company has no further obligations under such schemes

NOTE "21" - Deferred taxes

Breakup of deferred tax asset (net) is as under:

Particulars	As at 31st December 2016	As at 31st December 2015
	US \$	US \$
Deferred tax assets		
Provision for doubtful debts	133,000	129,000
Provision for employee benefits	4,890,000	4,245,000
Other provisions	663,000	617,000
Depreciation and amortisation	47,000	44,000
Deferred tax assets	5,733,000	5,035,000

NOTE "22" - Related Parties Disclosures

1. Name of Related parties and description of relationship:

Ultimate Holding Company and its Subsidiaries

- Baring Private Equity Asia GP V. LP, Cayman Island (ultimate holding company) (control exists)
- 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 (control exists)

Holding Company - Hexaware Technologies Limited, India (control exists)

Subsidiary - FocusFrame Europe B.V, Netherlands (upto 31st March, 2015)

Fellow Subsidiaries - Hexaware Technologies Canada Limited, Canada

Hexaware Technologies Asia Pacific Pte Ltd., Singapore

Caliber Point Business Solution Limited, India merged with the Holding Company.

Hexaware Technologies GmbH, Germany

Hexaware Technologies UK Limited., UK

Hexaware Technologies, Mexico S. De R.L. De C.V., Mexico

Hexaware Tecnologia Do Brasil Ltda, Brazil

Key Management Personnel – Mr. Rajiv Pant, Director (upto 30th August, 2015)

and relatives

-- Mr. R. Srikrishna (Chief Executive Officer of Holding Company)



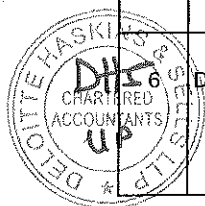
Hexaware Technologies Inc.

Notes forming part of Financial Statements

2. Related Party Transactions:

Transactions during the year:

Sr No	Particulars	Name Of Related Party And Nature of relationship	For the year ended 31st December, 2016	For the year ended 31st December, 2015
			US \$	US \$
1	Reimbursement of Cost to	Holding Company	5,442,869	5,740,579
		Fellow Subsidiaries		
		Hexaware Technologies Mexico S.DE RL. DE C.V	3,596,756	1,375,238
		Hexaware Technologies UK LTD	1,386,237	972,645
		Hexaware Technologies Asia pacific Pte LTD	414,618	477,011
	Others	100,170.78	27,366	
2	Employee advances reimbursed to	Holding Company	1,203,667	989,209
		Fellow Subsidiaries Hexaware Technologies Canada LTD	2,863	-
3	Receiving of services	Holding Company	94,641,351	86,929,684
		Fellow Subsidiaries		
		Hexaware Technologies Mexico S.DE RL. DE C.V	9,400,678	9,463,397
		Others	2,239,691	2,194,099
	KMP	1,051,392	1,865,742	
4	Software and Consultancy Income (Rendering of Services)	Holding Company	2,708,250	1,876,554
5	Recovery of Cost / Advances from	Holding Company	14,954	12,262
		Fellow Subsidiaries		
		Hexaware Technologies UK LTD	649,664	441,365
		Hexaware Technologies Canada ITD	65,678	143,453
		Hexaware Technologies Asia pacific Pte LTD	68,718	124,482
		Hexaware technologies GmbH	97,179	90,233
	Others	28,393	89,036	
	Dividend Received	Fellow Subsidiaries Focus Frame Netherland BV.	-	49,342



Hexaware Technologies Inc.

Notes forming part of Financial Statements

Closing Balances

Particular	Nature of relationship	As at 31st December, 2016	As at 31st December, 2015
		US \$	US \$
Trade Receivable	Holding Company	15,116,529	16,920,308
Advances	Holding Company	139,052	127,281
	Fellow Subsidiaries	92,148	1,525,928
Trade Payable	Holding Company	25,666,057	43,611,691
	Fellow Subsidiaries	5,066,741	4,698,611
Employee Related Liability / Provision	KMP	498,355	526,173

NOTE "23" - Earnings Per Share (EPS)

The components of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31 st December 2016	For the year ended 31 st December 2015
	US \$	US \$
Net profit after tax	8,277,075	7,048,584
Weighted average outstanding shares in common stock (Nos.)	30,027	30,027
Nominal Value of shares in common stock	No Par	No Par
Basic and diluted earnings per share	275.65	234.74



Hexaware Technologies Inc.

Notes forming part of Financial Statements

NOTE "24" - Segments

Primary Segment: Business Segments

For the year ended 31st December, 2016 (USD)

Particulars	Banking and Financial Services	Global Travel and Transportation	Healthcare & Insurance	Manufacturing & Consumer	Total
Revenue	187,395,436 (154,291,376)	40,127,227 (46,999,555)	49,225,897 (42,997,858)	94,948,491 (83,700,615)	371,697,051 (327,989,404)
Segment result - Profit / -Loss	3,290,586 (339,702)	3,906,202 (8,172,660)	4,812,735 (3,526,191)	2,849,802 (810,041)	14,859,325 (12,848,594)
Less : Unallocable expenses					936,143 (1,154,617)
Add : Other Income					40,078 (133,389)
Less : Interest expense					1,280 (10,333)
Profit before tax					13,961,980 (11,817,033)
Less : Tax expense					5,684,905 (4,768,449)
Profit after tax					8,277,075 (7,048,584)

Notes:

1. The Company has identified business segments as the primary segment. Business segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organizational and the internal reporting systems.
2. Revenues and expenses directly attributable to segments are reported under each reportable business segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
3. 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.



Hexaware Technologies Inc.

Notes forming part of Financial Statements

4. The Company operates mainly in local markets (United States of America) and in the opinion of the management has only one reportable geographical segment, the results of which are disclosed in the financial statements.
5. Previous year figures are given in brackets.

NOTE "25" - Lease

Operating Lease:

The Company takes on lease offices space and accommodation for its employees under various operating leases. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year are US \$ 2,074,074 (Previous Year US \$ 1,369,493).

The future minimum lease payments and payment profile of non-cancellable operating leases are as follows:

Particulars	Total Minimum Lease Payments Outstanding as on 31st December 2016	Total Minimum Lease Payments Outstanding as on 31st December 2015
	US \$	US \$
Not later than one year	1,609,002	1,609,933
Later than one year but not later than five years	3,301,048	4,661,438
	4,910,050	6,271,371

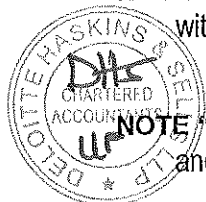
NOTE "26"

'Provision Others' represents provisions towards expenditure relating to employee benefit obligations on contract acquisition (also in respect of provision for loss on contract execution in previous year), the outflow for which is expected in the next year.

Particulars	For the year Ended 31st December, 2016	For the year Ended 31st December, 2015
	US \$	US \$
Beginning Provision	1,357,142	917,565
Add: Provision made during the year	743,498	1,272,467
Less: Amounts paid / adjusted during the year	845,520	832,890
Closing Provision	1,255,120	1,357,142

NOTE "27" – During the year, the holding company incurred US \$ 2,697,609 (Previous Year US \$ 2,050,979) with respect to Restricted Stock Units granted to employees of the Company.

NOTE "28" – The information disclosed in these financial statements for the years ended 31st December 2016 and 2015 is extracted from books of account locally maintained.



Hexaware Technologies Inc.

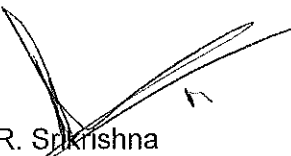
Notes forming part of Financial Statements

NOTE "29" - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

NOTES 1 TO 29 FORM AN INTEGRAL PART OF THE ACCOUNTS



For and on behalf of the board



R. Srikrishna
(Director)

Place: Mumbai
Date : 6th February, 2017