

January, 15, 2016

Hexaware Technologia Do Brasil LTDA,
Brazil.

Dear Sirs,

We have reviewed the attached accounts and notes of Hexaware Technologia Do Brasil LTDA, for the year ended at 31st December 2015 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



Arijane Erthal

Partner

HEXWARE TECHNOLOGIA DO BRASIL LTDA
BALANCE SHEET AS AT 31ST DECEMBER 2015

Particulars	Note No.	As at 31st December 2015 BRL	As at 31st December 2014 BRL
I. EQUITY AND LIABILITIES			
Share Holders' Funds :			
a. Share Capital	"2"	1.800	1.800
b. Reserves and Surplus	"3"	68.674	(22.006)
		70.474	(20.206)
Current liabilities :			
a. Short-term borrowings	"4"	57.856	41.390
b. Trade Payables	"5"	225.017	172.628
c. Other Current Liabilities	"5"	222.480	102.802
d. Short Term Provisions	"6"	144.051	16.366
		649.404	333.186
Total		<u>719.878</u>	<u>312.980</u>
II. ASSETS			
Non-current assets			
1 a. Fixed Assets :	"7"	1.472	1.942
i) Tangible Assets		1.472	1.942
Current Assets :			
a. Trade Receivables	"8"	477.761	121.181
b. Cash and Cash Equivalents - in bank current accounts	"9"	221.783	102.864
c. Short-term Loans and Advances	"9"	18.862	46.994
d. Other Current Assets	"10"	-	39.999
		718.406	311.038
Total		<u>719.878</u>	<u>312.980</u>

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

In terms of our attached report of even date

For AE Company
Chartered Accountants


Ariane Erthal
Partner

Place : Curitiba, Brazil
Date : Jan, 15 2016

For and on behalf of the Board



Ramesh Viswanathan
Authorized Signatory

Place :
Date :

HEXAWARE TECHNOLOGIA DO BRASIL LTDA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER 2015

Particulars	Note No.	For the Year ended 31st December 2015 BRL	For the Year ended 31st December 2014 BRL
I. INCOME			
a. Revenue from Operations		1,859,997	1,794,722
b. Other Income - Miscellaneous Income		-	40,658
		1,859,997	1,835,380
II. EXPENSES			
a. Software and Development Expenses	"11"	1,342	164,698
b. Employee Benefits Expenses	"12"	1,373,470	1,098,834
c. Operation and Other Expenses	"13"	239,127	449,592
d. Exchange Rate Difference (net)	"14"	113,554	37,364
e. Finance Costs	"7"	12,624	4,417
f. Depreciation and amortization expense		470	408
		1,740,587	1,755,313
(Loss)/Profit for the Period		119,410	80,067
Tax expense			
- Income Tax - Current Taxes		28,730	8,365
Profit/(Loss) After Tax		90,680	71,702
Earnings Per Share Basic and Diluted	"17"	50,38	39,83

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

"1 to 19"

In terms of our attached report of even date

For AE Company
Chartered Accountants



Arlene Erthal
Partner.

Place : Curitiba, Brazil
Date : Jan. 15 2016

For and on behalf of the Board



Ramesh Viswanathan
Authorized Signatory

Place :
Date :

Particulars	YEAR ENDED 31st DECEMBER 2015	YEAR ENDED 31st DECEMBER 2014
	BRL	BRL
Cash Flow from operating activities		
Net (loss)/Profit before tax	119,410	80,067
Adjustments for:		
Depreciation	470	408
Interest expense	12,624	4,417
Foreign exchange fluctuation on account of borrowing	16,466	3,136
Operating profit/(loss) before working capital changes	148,970	88,028
Adjustments for:		
Trade and other receivables	(311,772)	152,513
Trade and other payables	305,793	(286,814)
Net Cash Generated from Operations	142,991	(46,273)
Direct Taxes Paid	(5,407)	(30,795)
Net Cash from Operating Activities	137,584	(77,068)
Cash flow from investing activities		
Purchase of fixed assets	-	(2,350)
Net cash used in investing activities	-	(2,350)
Cash flow from financing activities		
Interest paid	(18,665)	(658)
Net Cash(used in)/Financing Activities	(18,665)	(658)
Net increase in cash and cash equivalents	118,919	(80,076)
Cash and cash equivalents at the beginning of the year	102,864	182,940
Cash and cash equivalents at the end of the year	221,783	102,864

Notes:

1. Components of cash and cash equivalents include cash and bank balances as stated in the Balance sheet.
2. The Cash Flow Statement has been prepared in accordance with the provisions of Accounting Standard 3 "Cash Flow Statement" (AS 3)

In terms of our attached Report of even date

For AE Company

Chartered Accountants


Ariane Erthal

Partner

For and on behalf of the Board


Ramesh Viswanathan

Authorised Signatory

Place : Curitiba, Brazil

Date : Jan, 15 2016

Place :

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

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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		As at	
	31st December 2015 BRL	BRL	31st December 2014 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 :				
1800 (1800) SHARES OF BRL 1 EACH		1,800		1,800
(Held by Hexaware Technologies UK Limited)		<u>1,800</u>		<u>1,800</u>
c. Reconciliation of number of shares				
Particulars	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	1,800	1,800	1,800	1,800
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the period	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
d. Details of shares held by shareholders holding more than 5% shares				
	Nos. of		Nos. of	
Name of Shareholder	Shares held	% of holding	Shares held	% of holding
Hexaware Technologies UK Limited	1800	100	1800	100
e. Rights, preferences and restrictions attached to equity shares				
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		(22,006)		(93,708)
Add : Profit for the year		<u>90,680</u>		<u>71,702</u>
		68,674		(22,006)
Total		<u>68,674</u>		<u>(22,006)</u>

Hexaware Technologia Do Brasil LTDA

Particulars	As at 31st December 2015		As at 31st December 2014	
	BRL	BRL	BRL	BRL
NOTE "4" - SHORT TERM BORROWINGS				
Unsecured Loans		57,856		41,390
(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>57,856</u>		<u>41,390</u>
NOTE "5" - OTHER CURRENT LIABILITIES				
Interest accrued and not due on borrowing		1,308		7,349
Other Payables				
- Employee related		138,230		20,207
- Statutory liabilities		<u>82,942</u>		<u>75,246</u>
		221,172		95,453
Total		<u>222,480</u>		<u>102,802</u>
NOTE "6" - SHORT TERM PROVISIONS				
Provision for employee benefits (compensated absences)		144,051		16,366
Total		<u>144,051</u>		<u>16,366</u>

NOTES "7" - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	AS AT 01.01.2015	ADDITIONS	AS AT 31.12.2015	AS AT 01.01.2015	FOR THE PERIOD	AS AT 31.12.2015	AS AT 31.12.2015	AS AT 31.12.2014
PLANT AND MACHINERY (INCLUDING COMPUTERS)	2,350		2,350	408	470	878	1,472	1,942
CURRENT PERIOD TOTAL	2,350	-	2,350	408	470	878	1,472	1,942
PREVIOUS YEAR TOTAL		2,350	2,350		408	408	1,942	-

Hexaware Technologia Do Brasil LTDA

Particulars	As at		As at	
	31st December 2015		31st December 2014	
	BRL	BRL	BRL	BRL
NOTE "8" - TRADE RECEIVABLES (UNSECURED CONSIDERED GOOD)				
Over Six months from the due date of payment		-		-
Others				
Considered good		477,761		121,181
Considered doubtful		-		-
Total		<u>477,761</u>		<u>121,181</u>
NOTE "9" - SHORT TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)				
Advance Income Tax (net of provision for tax)		5,216		28,539
Other Loans and advances		<u>13,646</u>		<u>18,455</u>
		18,862		46,994
Total		<u>18,862</u>		<u>46,994</u>
NOTE "10" - OTHER CURRENT ASSETS				
Unbilled services		-		39,999
Total		<u>-</u>		<u>39,999</u>

Hexaware Technologia Do Brasil LTDA

NOTE "15" Segments

For the year ended 31st December 2015

Primary Segment : Business Segments						(in BRL)
	Travel, Transportation, Hospitality and logistics	Banking and Financial Services	Manufacturing and services	Insurance and Healthcare	Others	Total
Segment Revenue	1,859,997					1,859,997
	(756,718)	(510,969)	(314,947)	(63,764)	(148,324)	(1,794,722)
Segment Results	246,058					246,058
	(-59072)	(64,979)	(89,364)	(-4515)	(-9816)	(81,598)
Less: Unallocable expenses						114,024
						(37,772)
Less: Interest						12,624
						(4,417)
Add: Other Income						-
						(40,658)
Profit before tax						119,410
						(80,067)
Less: Provision for taxation						28,730
						(8,365)
Profit after Tax						90,680
						(71,702)

Notes:

1. The Company has identified business segment as the primary segment. Segments have been identified taking into account the class / type of customers serviced, differing risks and returns, the organizational structure and the internal reporting system.
2. 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, except receivables, and segment liabilities are made.
3. The Company operates mainly in local markets and in the opinion of the management has only one reportable geographical segment viz. South America, the results of which are disclosed in the financial statements.
4. Figures for the year ended on 31st December 2014 are given in bracket.

Hexaware Technologia Do Brasil LTDA

NOTE "16" 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
- Parel Investment Holding Limited
- HT Global IT solutions Holding Limited
- Hexaware Technologies Limited

Holding Company - Hexaware Technologies UK Limited

- Fellow Subsidiaries
- Hexaware Technologies, Inc., USA
 - Hexaware Technologies Mexico S de RL de CV

ii) Related Party Transactions:

(in BRL)			
Nature of Transaction	Name of Related party and Nature of relationship	For the Year ended 31st December 2015	For the Year ended 31st December 2014
Software Consulting Income	Fellow Subsidiaries Hexaware Technologies Inc.	1,899,996	1,018,922
Receiving of services	Fellow Subsidiaries Hexaware Technologies Mexico	-	99,509
Reimbursement of Costs	Fellow Subsidiaries Hexaware Technologies Inc.		6,513
Interest expenses	Holding Company	5,133	3,759

Hexaware Technologia Do Brasil LTDA

(in BRL)

Particulars	Name of Related party and Nature of relationship	As at 31st December 2015	As at 31st December 2014
Trade Receivables	Fellow Subsidiaries Hexaware Technologies Inc.	477,761	121,181
Trade payables	Holding Company Fellow Subsidiaries Hexaware Technologies Inc.	- 0	15,460
Interest payable	Holding Company	1,308	7,349
Unsecured Loans Taken	Holding Company		
Opening Balance		41,390	38,711
Exchange rate difference accounted during the period		16,466	2,679
Closing Balance		57,856	41,390

NOTE "17" Earnings per Share (EPS):

Earnings per share is calculated as follows	For the Year Ended 31st December 2015	For the Year Ended 31st December 2014
	BRL	BRL
Net Profit/(Loss) as per Consolidated Statement of Profit and Loss	90,680	71,707
Weighted average outstanding participation shares (Nos)	1800	1800
Face Value of participation shares	1	1
Basic and diluted earnings per participation share	50.38	39.83

NOTE "18" 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 262,299 (Previous year net foreign currency BRL 194,754.)

Hexaware Technologia Do Brasil LTDA

NOTE "19" - The information contained in these financial statements for the year ended 31st December, 2015 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 19 FORM AN INTEGRAL PART OF THE ACCOUNTS

In terms of our attached Report of even date

For AE Company

Chartered Accountants


Ariane Erthal

Partner.

Place : Curitiba, Brazil

Date : Jan, 15 2016

For and on Behalf of the Company



Ramesh Visvanathan

(Authorized Signatory)

Place: London, UK.

Date :