

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HEXAWARE TECHNOLOGIES CANADA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HEXAWARE TECHNOLOGIES CANADA LIMITED** ("the Company"), which comprise the Balance Sheet as at December 31, 2015, 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 includes the design, implementation and maintenance of adequate internal financial controls 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 the 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 auditors' 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.



**Deloitte
Haskins & Sells LLP**

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, 2015, its profit and its cash flows for the year ended on that date.

Other Reporting 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 accounts 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.

Other Matter

This report is issued for the sole 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.

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



A handwritten signature in blue ink that reads "Abhijit A. Damle".

Abhijit A. Damle
(Partner)
(Membership No. 102912)

MUMBAI, February 2, 2016

HEXAWARE TECHNOLOGIES CANADA LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2015

Particulars	Note No.	As at 31st December, 2015		As at 31st December, 2014	
		CAD	CAD	CAD	CAD
I. EQUITY AND LIABILITIES					
Share Holders' Funds :					
a) Share Capital	"3"	23,385		23,385	
b) Reserves and Surplus	"4"	1,350,361		1,194,736	
			1,373,746		1,218,121
Current Liabilities :					
a) Trade Payables		123,514		209,168	
b) Other Current Liabilities	"5"	146,278		131,032	
c) Short Term Provisions	"6"	100,582		80,257	
			370,374		420,457
Total			1,744,120		1,638,578
II. ASSETS					
Non-Current Assets					
a) Fixed Assets :					
i) Tangible Assets			-		-
ii) Intangible Assets	"7"		123		191
Current Assets					
a) Trade Receivables	"8"	1,524,769		1,494,851	
b) Cash and Cash Equivalents	"9"	183,591		78,571	
c) Short Term Loans and Advances	"10"	35,637		56,784	
d) Other Current Assets	"11"	-		8,181	
			1,743,997		1,638,387
Total			1,744,120		1,638,578

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

"1 to 20"

IN TERMS OF OUR REPORT ATTACHED

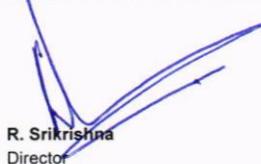
For Deloitte Haskins & Sells LLP
Chartered Accountants



Abhijit A. Damle
Partner



For and on behalf of the Board


R. Srikrishna
Director

Place : Mumbai
Date : 2nd February 2016

HEXAWARE TECHNOLOGIES CANADA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER 2015

Particulars	Note No.	For the year ended 31st December, 2015		For the year ended 31st December, 2014	
		CAD	CAD	CAD	CAD
I. INCOME					
a) Revenue from Operations		2,540,591		2,403,515	
b) Other Income (Miscellaneous Income)		-		224	
			2,540,591		2,403,739
II. EXPENSES					
a) Software and Development Expenses	"12"	259,177		138,197	
b) Employee Benefits Expenses	"13"	2,004,820		1,974,456	
c) Operation and Other Expenses	"14"	64,474		86,520	
d) Depreciation and Amortization Expenses	"7"	295		72	
			2,328,766		2,199,245
Profit Before Tax			211,825		204,494
Less : Tax Expense - Current Tax			56,200		54,497
Profit for the year			155,625		149,997
Earnings Per Share Basic and Diluted	"16"		155,625		149,997

III. NOTES FORMING PART OF FINANCIAL STATEMENTS

"1 to 20"

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 : 2nd February 2016

HEXAWARE TECHNOLOGIES CANADA LIMITED
 CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2015

Particulars	Year ended 31ST DECEMBER, 2015	Year ended 31ST DECEMBER, 2014
	CAD	CAD
Cash Flow from operating activities		
Net profit before tax	211,825	204,494
Adjustments for:		
Depreciation and Amortisation	295	72
Operating profit before working capital changes	212,120	204,566
Adjustments for:		
Trade and other receivables	(590)	(290,529)
Trade and other payables / provisions	(47,085)	137,195
Net Cash Generated from Operations	164,445	51,232
Direct Taxes Paid	(59,198)	(54,197)
Net Cash from / (used in) Operating Activities	105,247	(2,965)
B Cash flow from investing activities		
Purchase of fixed assets	(227)	-
Net cash used in investing activities	(227)	-
Net increase / (decrease) in cash and cash equivalents	105,020	(2,965)
Cash and cash equivalents at the beginning of the year	78,571	81,536
Cash and cash equivalents at the end of the year	183,591	78,571

Note:

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 REPORT ATTACHED

For Deloitte Haskins & Sells LLP

Chartered Accountants



Abhijit A. Damle

Partner

Place: Mumbai

Date : 2nd February 2016



For and on behalf of the Board



R. Srikrishna

Director

Hexaware Technologies Canada Limited

Notes forming part of financial statements

NOTE "1": - Company Overview

Hexaware Technologies Canada Limited ('the Company') is a wholly owned subsidiary of Hexaware Technologies Limited, a foreign corporation incorporated in India ('The Holding Company'). These accounts have been prepared and audited for the purpose of consolidation with the Holding Company and for the purpose of compliance with section 129 of the Companies Act, 2013.

The Company was incorporated in October 2001. The Company provides information technology ("IT") services and solutions to its clientele, primarily in the form of professional IT and consulting services.

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, to the extent possible, 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.



Hexaware Technologies Canada Limited

Notes forming part of financial statements

2.3. Revenue Recognition

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 current assets, represents amount recognised based on services performed in advance of billing in accordance with contract terms. Revenue is reported net of discount / incentive.

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 being these to working conditions for intended use.

2.5. Depreciation and Amortisation

Depreciation and amortisation on Fixed Assets (computer systems and software) is provided on straight-line method on pro rata basis, based on estimated useful lives of the assets, of three years as determined by the management.

2.6. Foreign Currency Transactions

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.

2.7. 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 within a year and short term medical insurance contribution plans.



Hexaware Technologies Canada Limited

Notes forming part of financial statements

2.8. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are 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.

2.9. 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.

2.10. Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22). 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 that are measured at relevant enacted / substantively enacted tax rates.

In the event of unabsorbed depreciation and carry forward of 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 where the entity intends to settle the asset and liability on a net basis.

2.11. 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.

2.12. 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 Technologies Canada Limited

Notes forming part of financial statements

Particulars	As at 31st December, 2015		As at 31st December, 2014	
	CAD	CAD	CAD	CAD
NOTE "3" - SHARE CAPITAL				
a. Authorised				
UNLIMITED SHARE CAPITAL CONSISTING OF 9 CLASSES OF SHARES (SERIES A)		-		-
Total		-		-
b. Issued, Subscribed and Paid-up Capital				
1 (1) SHARE IN COMMON STOCK OF NO PAR VALUE OF CLASS "A" SHARES		23,385		23,385
Total		23,385		23,385
c. All shares are held by Hexaware Technologies Limited, the holding company, since incorporation of the company.				
d. Rights, preferences and restrictions attached to equity shares				
The Company has issued one class of equity shares 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.				

Particulars	As at 31st December, 2015		As at 31st December, 2014	
	CAD	CAD	CAD	CAD
NOTE "4" - RESERVES AND SURPLUS				
Balance in Statement of Profit and Loss				
Opening Balance	1,194,736		1,044,739	
Add : Profit for the period / year	155,625		149,997	
Closing Balance		1,350,361		1,194,736
Total		1,350,361		1,194,736
NOTE "5" - OTHER CURRENT LIABILITIES				
Other Payables				
- Employee Related	92,119		85,749	
- Statutory Liabilities	45,643		38,130	
- For Expenses	8,516		7,153	
Total		146,278		131,032
NOTE "6" - SHORT TERM PROVISIONS				
Provision for Employee Benefits				
- Provision for Compensated Absences	98,780		75,457	
Provision Others				
- Provision for Taxation (net of advance tax)	1,802		4,800	
Total		100,582		80,257



Hexaware Technologies Canada Limited

Notes forming part of financial statements

NOTE "7" - FIXED ASSETS

(Amount in CAD)

Description of the Asset	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	AS AT 01.01.2015	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31.12.2015	AS AT 01.01.2015	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	AS AT 31.12.2015	AS AT 31.12.2015	AS AT 31.12.2014
TANGIBLE ASSETS :										
PLANT AND MACHINERY (COMPUTER SYSTEMS)	4,181	-	634	3,547	4,181	-	634	3,547	-	-
Sub-Total	4,181	-	634	3,547	4,181	-	634	3,547	-	-
Previous Year	4,181	-	-	4,181	4,181	-	-	4,181	-	-
INTANGIBLE ASSETS:										
SOFTWARE	430	227	-	657	239	295	-	534	123	191
Sub-Total	430	227	-	657	239	295	-	534	123	191
Previous Year	430	-	-	430	167	72	-	239	191	-
TOTAL	4,611	227	634	4,204	4,420	295	634	4,081	123	191
PREVIOUS YEAR TOTAL	4,611	-	-	4,611	4,348	72	-	4,420	191	-

Particulars	As at 31st December, 2015		As at 31st December, 2014	
	CAD	CAD	CAD	CAD
NOTE "8" - TRADE RECEIVABLES (UNSECURED) (CONSIDERED GOOD)				
a) Over Six months from the due date of payment			410,116	
b) Others	1,524,769		1,084,735	
Total		1,524,769		1,494,851
NOTE "9" - CASH AND CASH EQUIVALENTS				
Balances with Banks In Current Accounts		183,591		78,571
Total		183,591		78,571
NOTE "10" - SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)				
Advances to related parties (Refer note 15)	27,331		52,046	
Others	8,306.00		4,738	
Total		35,637		56,784
NOTE "11" - OTHER CURRENT ASSETS				
Unbilled Services			8,181	
				8,181



Hexaware Technologies Canada Limited

Notes forming part of financial statements

Particulars	For the year ended 31st December, 2015		For the year ended 31st December, 2014	
	CAD	CAD	CAD	CAD
NOTE "12" - SOFTWARE AND DEVELOPMENT EXPENSES				
Software Expenses (Subcontracting Charges)		259,177		138,197
Total		259,177		138,197
NOTE "13" - EMPLOYEE BENEFITS EXPENSES				
Salary and Other Allowances		1,790,366		1,770,377
Contribution to Other Funds		214,454		204,079
Total		2,004,820		1,974,456
NOTE "14" - OPERATION AND OTHER EXPENSES				
Travelling and Conveyance Expenses		42,006		70,675
Auditors Remuneration - Audit Fees		5,618		5,056
Legal and Professional Fees		11,680		7,780
Bank Charges		2,619		2,362
Service charges		53		-
Miscellaneous Expenses		2,498		647
Total		64,474		86,520



Hexaware Technologies Canada Limited

Notes forming part of financial statements

NOTE "15" - 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)

Fellow Subsidiaries - Hexaware Technologies, Inc., USA

Key Management Personnel - Mr. P R Chandrasekar, Director (up to 31st December, 2014)

Mr. R. Srikrishna, Chief Executive Officer of Holding Company w.e.f. 28th July 2014.

2. Related Party Transactions:

Transactions during the year :

Sr No	Particulars	Nature of relationship	For the year ended	For the year ended
			31st December, 2015	31st December, 2014
			CAD	CAD
1	Expenditure - Reimbursement of Costs	Holding Company Fellow Subsidiary	8,965 180,944	- 93,808
2	Employee and other advances reimbursed to	Holding Company	34,581	54,925
3	Receiving of services	Holding Company	259,177	138,197
4	Income from Operations	Holding Company Fellow Subsidiary	- 2,141,853	9,125 2,208,978
5	Recovery of Cost / Advances from	Fellow Subsidiary	48,041	55,361

Related party closing balances

	Particulars	Nature of relationship	As at	As at
			31st December, 2015	31st December, 2014
			CAD	CAD
1	Trade Receivable	Holding Company Fellow Subsidiary	- 1,503,016	410,116 1,015,804
2	Short Term Loans and Advances	Holding Company Fellow Subsidiary	- 27,331	26,319 25,727
3	Trade Payable	Holding Company	122,517	186,295



Hexaware Technologies Canada Limited

Notes forming part of financial statements

NOTE "16" - Employee Benefits:

The Company has recognized CAD 62,814 (Previous Year CAD 60,326) 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.

NOTE "17" - Earnings Per Share (EPS):

The issued, subscribed and paid up capital of the Company consists of one share in common stock of no par value and the earnings per share is computed on the basis of such one share. Accordingly the entire profit after tax is the earnings per share.

NOTE "18" - Segments:

As per the definition of 'business segments' and 'geographical segments', contained in Accounting Standard 17 (AS 17) "Segment Reporting", management is of the opinion that there is one reportable business segment viz software consultancy and one reportable geographical segment viz Canada, the results of which are disclosed in the financial statements.

NOTE "19" - The information disclosed in these financial statements for the years ended 31st December 2015 and 2014 is extracted from books of account locally maintained.

NOTE "20" - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



For and On Behalf of the Board

R. Srikrishna
Director

Place: Mumbai
Date : 02nd February 2016