



**Independent Auditors' Report to the
Board of Directors and Partners' of
Hexaware Technologies México, S. de R.L. de C.V.**

We have audited the accompanying balance sheet of Hexaware Technologies Mexico, S. de R.L. de C.V. (the "Company"), (a 99.97% owned subsidiary of Hexaware Technologies LTD.), as of December 31st, 2015, and the related statements of incomes, partners' surplus and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally auditing accepted standards in the Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides as reasonable basis for our opinion.

In our opinion, for the purpose of consolidation by the Ultimate Holding Company, the remeasured financial statements present fairly, in all material respects, the financial position of Hexaware Technologies Mexico, S. de R.L. de C.V. as of December 31st, 2015, and the results of its operations, partners' surplus and its cash flows for the year then ended in conformity with Mexican Financial Reporting Standard ("Mexican FRS").

Javier Fuentes Zambrano y Asociados, SC
Member of International Association of Practising Accountants and also,
Member of Leading Edge Alliance

C.P.C. Javier Fuentes Zambrano
Monterrey, México
January 20th, 2016

5 de mayo #1416 pte. Monterrey, N.L. CP 64000
Tel. (81) 8343.0956 con 6 líneas
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HEXAWARE TECHNOLOGIES MEXICO, S. DE R.L. DE C.V.
BALANCE SHEET DECEMBER 31st, (Mexican pesos)

ASSETS	2015	2014	LIABILITIES	2015	2014
CURRENT ASSETS			SHORT TERM LIABILITIES		
CASH	\$ 7,427	\$ 1,231	ACCRUE VENDORS	\$ 15,590,941	\$ 13,030,997
BANK	\$ 5,049,119	\$ 10,062,721	VENDORS	\$ 1,549,634	\$ 2,031,648
DUE FROM RELATED PARTIES	\$ 37,646,710	\$ 41,209,950	TAXES INCLUDING CORPORATE INCOME	\$ 6,969,863	\$ 8,626,956
CLIENTS (ACCOUNTS RECEIVABLE)	\$ 6,959,698	\$ 5,897,645	VAT PAYABLE	\$ -	\$ -
UNBILLED DEBTORS	\$ 13,207,516	\$ 3,784,408	ACCRUE PAYABLE VAT	\$ -	\$ 1,204,320
VAT RECEIVABLE	\$ 703,551	\$ -			
LOAN AND ADVANCES	\$ 441,845	\$ 372,224			
PREPAYMENTS TO VENDORS	\$ 5,071,149	\$ 5,299,086			
TOTAL OF CURRENT ASSETS	\$ 69,087,015	\$ 66,627,265	TOTAL SHORT TERM LIABILITIES	\$ 24,110,438	\$ 24,893,921
NON CURRENT ASSETS			LONG TERM LIABILITES		
COMPUTER - NET	\$ 5,639,531	\$ 2,269,580	ACCRUED SERVICES	\$ -	\$ 1,232,477
FURNITURE AND FIXTURES- NET	\$ 4,420,335	\$ 2,491,776	OTHER PAYABLE	\$ -	\$ -
OTHER ASSETS - NET	\$ 2,458,704	\$ 870,979	DUE TO RELATED PARTIES	\$ 1,174,612	\$ 9,391,675
DEFERRED INCOME TAX	\$ 3,927,563	\$ 4,369,595	EMPLOYEE RETIREMENT OBLIGATIONS	\$ 1,941,517	\$ 1,498,830
TOTAL OF NON CURRENT ASSETS	\$ 16,446,133	\$ 10,001,930	TOTAL LONG TERM LIABILITIES	\$ 3,116,129	\$ 12,122,982
			TOTAL OF LIABILITIES	\$ 27,226,567	\$ 37,016,903
			STOCKHOLDERS EQUITY		
			CAPITAL STOCK	\$ 8,087,502	\$ 8,087,502
			STATUTORY RESERVE	\$ 2,574,705	\$ 1,639,991
			PROFIT/LOSES OF THE YEAR	\$ 17,759,575	\$ 12,702,297
			PROFIT/LOSES ACCUMULATED	\$ 29,884,799	\$ 17,182,502
			TOTAL EQUITY	\$ 58,306,581	\$ 39,612,292
TOTAL ASSETS	\$ 85,533,148	\$ 76,629,195	TOTAL LIABILITIES & EQUITY	\$ 85,533,148	\$ 76,629,195



C.P.C. Javier Fuentes Zambrano
 CPA authorization number 1632
 Fiscal Auditor authorization number 11058

Jesús Enrique Valdés Gil
 Legal Representative

HEXAWARE TECHNOLOGIES MEXICO, S. DE R.L. DE C.V.
PROFIT & LOSS STATEMENT FROM JANUARY TO DECEMBER, 2015 & 2014 (Mexican pesos)

	2015		%	2014		%
SALES	\$	-	0.00%	\$	-	0.00%
SERVICES REVENUES	\$	<u>229,043,520</u>	100.00%	\$	<u>188,145,976</u>	100.00%
TOTAL OF INCOMES	\$	229,043,520	100.00%	\$	188,145,976	100.00%
(-) COST OF SALES (GOODS)	\$	-	0.00%	\$	-	0.00%
GROSS INCOME/LOSSES	\$	229,043,520	100.00%	\$	188,145,976	100.00%
(-) OPERATING EXPENSES						
EMPLOYMENT EXPENSES	\$	(137,971,222)		\$	(112,615,794)	
SOFTWARE EXPENSES	\$	(42,864,045)		\$	(40,650,223)	
ADMINISTRATIVE EXPENSES	\$	(16,755,606)		\$	(13,135,531)	
DEPRECIATION AND AMORTIZATION	\$	<u>(4,315,182)</u>		\$	<u>(2,405,678)</u>	
TOTAL OPERATING EXPENSES	\$	(201,906,055)	-88.15%	\$	(168,807,226)	-89.72%
E.B.I.T.A.	\$	27,137,465	11.85%	\$	19,338,750	10.28%
(+/-) FINANCIAL EXPENSES/INCOMES						
GAIN ON EXCHANGE RATE CURRENCY	\$	3,783,578		\$	3,688,084	
LOSSES ON EXCHANGE RATE CURRENCY	\$	(770,358)		\$	(1,220,053)	
INTEREST PAID	\$	-		\$	-	
BANK COMMISSIONS	\$	<u>(99,889)</u>		\$	<u>(72,703)</u>	
TOTAL OF FINANCIAL EXPENSES/INCOMES	\$	2,913,331	1.27%	\$	2,395,328	1.27%
(+/-) OTHER EXPENSES/INCOMES	\$	-	0.00%	\$	-	0.00%
PROFIT/LOSSES BEFORE TAXES	\$	30,050,796	13.12%	\$	21,734,078	11.55%
(-) INCOME TAX	\$	(8,378,586)		\$	(5,725,792)	
(-) STATUTORY RESERVE	\$	(934,714)		\$	(668,542)	
(-) DEFERRED INCOME TAX	\$	(442,032)		\$	298,080	
(-) PROFIT SHARE TO EMPLOYEES	\$	<u>(2,535,889)</u>	-5.37%	\$	<u>(2,935,527)</u>	-4.80%
PROFIT/LOSE OF THE YEAR	\$	17,759,575	7.75%	\$	12,702,297	6.75%



C.P.C. Javier Fuentes Zambrano
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HEXAWARE TECHNOLOGIES MEXICO, S. DE R.L. DE C.V.
STOCKHOLDERS EQUITY CHANGES STATEMENT
FOR THE YEARS ENDED DECEMBER 31st 2015, 2014 (Mexican pesos)

CONCEPT	CAPITAL STOCK	CAPITAL STOCK (INFALTION)	STATUTORY RESERVE	CONTRIBUTED CAPITAL PENDING CAPITALIZE	PROFIT OF THE YEAR	LOSSES OF THE YEAR	PROFIT FROM PAST YEARS	LOSSES FROM PAST YEARS	INFLATION EQUITY ACCOUNT	OTHERS EQUITY ACCOUNTS	TOTAL
BALANCE											
31st DECEMBER 2013	\$3,000	\$0	\$971,449	\$8,084,502	\$5,740,460	\$0	\$26,389,582	\$ (14,947,540)	\$0	\$0	\$26,241,453
PROFIT/LOSSES											
YEAR 2013					\$ (5,740,460)	\$0	\$5,740,460	\$0			\$0
PROFIT/LOSSES											
MERGE FOCUSFRAME											\$0
INCREASE OR DECREASE											\$0
STOCKHOLDERS EQUITY											\$0
STATUTORY RESERVE			\$668,542								\$668,542
PROFIT/LOSSES											
YEAR 2014					\$12,702,297						\$12,702,297
BALANCE											
31st DECEMBER 2014	\$3,000	\$0	\$1,639,991	\$8,084,502	\$12,702,297	\$0	\$32,130,042	\$ (14,947,540)	\$0	\$0	\$39,612,292
PROFIT/LOSSES											
YEAR 2012					\$ (12,702,297)	\$0	\$12,702,297	\$0			\$0
PROFIT/LOSSES											
MERGE FOCUSFRAME											\$0
INCREASE OR DECREASE											\$0
STOCKHOLDERS EQUITY											\$0
STATUTORY RESERVE			\$934,714								\$934,714
PROFIT/LOSSES											
YEAR 2015					\$17,759,575						\$17,759,575
BALANCE											
31st DECEMBER 2015	\$3,000	\$0	\$2,574,705	\$8,084,502	\$17,759,575	\$0	\$44,832,339	\$ (14,947,540)	\$0	\$0	\$58,306,581



JAVIER FUENTES ZAMBRANO
& ASOCIADOS, S.C.
CONTADORES PUBLICOS Y AUDITORES

C.P.C. Javier Fuentes Zambrano
CPA authorization number 1632
Fiscal Auditor authorization number 11058

Jesús Enrique Valdés Gil
Legal Representative

**HEXAWARE TECHNOLOGIES MEXICO, S. DE R.L. DE C.V.
STATEMENT OF SOURCE AND APPLICATIONS OF FUNDS
FOR THE YEARS 2015, 2014 (Mexican pesos)**

CONCEPT	2015	2014
YEAR LOSS		
YEAR PROFIT	17,759,575	12,702,297
ACCOUNTS IN THE P&L STATEMEN BUT NOT CASH FLOW		
DEPRECIATIONS	4,315,182	2,405,678
DEFERRED INCOME TAX	442,032	(298,080)
OTHER DEFERRED TAXES	0	0
INFLATION	0	0
TOTAL	4,757,214	2,107,598
INCREASE OR DECREASE IN:		
CLIENTS (ACCOUNTS RECEIVABLE)	(6,921,921)	(21,386,069)
VAT CREDIT	-703,551	229,337
PREPAYMENTS	35,275	5,887,900
OTHER	0	0
INCREASE OR DECREASE IN:		
VENDORS AND OTHERS LIABILITIES	-9,790,336	6,125,019
OPERATING CASH FLOW	5,136,256	5,666,082
LOANS AND EQUITY		
LOANS FROM		
BANK	0	0
INDIVIDUAL PERSONS		
PROFIT/LOSES OF THE MERGE	0	0
LOANS PAYMENTS		
STATUTORY RESERVE	934,714	668,542
CAPITAL STOCK PAID	0	0
CONTRIBUTED CAPITAL PENDING CAPITALIZE	0	0
CASH FLOW FROM LOANS AND EQUITY	934,714	668,542
FIXED ASSETS INVESTMENTS		
FIXED ASSETS PURCHASE	(11,078,376)	(2,092,825)
PROPERTY PURCHASE		
CASH FLOW USED FOR FIXED ASSETS PUCHASES	(11,078,376)	(2,092,825)
INCREASE OR DECREASE IN CASH FLOW	-5,007,406	4,241,799
OPENING BALANCE	10,063,952	5,822,153
ENDING BALANCE	5,056,546	10,063,952



JAVIER FUENTES ZAMBRANO
& ASOCIADOS. S.C.
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Hexaware Technologies México, S. de R.L. de C.V.

Notes to financial Statements
For the year ended December 31st, 2015 and for the year ended December 31st, 2014
(In Mexican Pesos)

1. Activities and significant events

Hexaware Technologies Mexico, S. de R.L. de C.V. (the “Company”) commenced operations in July 2007. The Company is incorporated in Mexico and is a 99.97% owned subsidiary of Hexaware Technologies Limited (“HTL” or the “Holding Company”), a foreign corporation incorporated in India. The Company is in the business of automated testing of enterprise resource planning and customized software applications. Its business involves systems verification, quality strategy, information technology governance solutions and various functional, performance and system stress verification exercises. The Company is also a provider of business technology optimization consulting services.

The company at 1st January, 2010 celebrated merge agreement with the company FocusFrame Mexico, S. de R.L. de C.V., being this one the merged company and Hexaware Technologies Mexico, S. de R.L. de C.V. the merging company.

2. Basis of presentation

The Company maintains its books and records in Mexican pesos and prepares financial statements in accordance with Mexican Financial Reporting Standards (“Mexican FRS”) issued by the Mexican Board for Research and Development of Financial Reporting Standards (the “CINIF”), (previously known as accounting principles generally accepted.

3. Summary of significant accounting policies

A summary of the significant accounting policies used in the preparation of the accompanying financial statements follows:

- a. **Cash** – Cash consist primarily of checking accounts and daily investment of excess cash that are immediately available. Amounts are valued at nominal value with any amounts generated from such investments recognized in the results of the operations as earned.
- b. **Computers and office equipment** - These are recorder at acquisition cost. Cost includes major expenditures for improvements and replacements, which extend useful lives or increase capacity and interest costs associated with significant capital additions.

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Depreciation is calculated using the straight-line method, based on the estimated useful lives of the related assets, as follows:

	Useful Life (Years)
Computers and software	3
Furniture and Fixtures	8

Computers and furniture and fixtures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of an asset is not recoverable when the estimated future undiscounted cash flows expected to result from the use of the asset are less than the carrying value of the asset. The company measures an impairment loss as the difference between the carrying value of the asset and its fair value.

- c. **Deferred income taxes and statutory employee profit sharing** – The Company recognizes deferred income tax and statutory employee profit sharing asset and liabilities for the future consequences of temporally differences between the financial statement carrying amounts of asset and liabilities and their respective income tax or statutory employee profit sharing bases, measured using enacted rates. The effects of changes in the statutory rates are accounted for in the period that includes the enactment date. Deferred income tax asset are also recognized for the estimated future effects of tax loss carry forwards. A valuation allowance is applied to reduce deferred income tax asset to the amount of future net benefit that is more likely than not to be realized.
- d. **Employee retirement obligations** – Accordance with Mexican Labor law, the Company provides seniority premium benefits to its employees under certain circumstances. These benefits consist of a one-time payment equivalent to 12 days wages for each year of service (at the employees most recent salary but not to exceed twice the legal minimum wage) payable to all employee's with 15 or more years of services, as well as to certain employees terminated involuntary prior to the vesting of their seniority premium benefit.

The Company also provides statutorily mandated severance benefits to its employees terminated under certain circumstances. Such benefits consist of a one-time payment of three months wages plus 20 days wages for each year of service payable upon involuntary termination without just cause.

As of December 31st, 2015, the Company recorder an employee retirement obligation for \$1,941,517 mxp based on the Company's calculation.

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e. **Foreign currency transactions.**- Transactions denominated in foreign currencies are recorded at the exchange rate in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into the company's functional currency at the exchange rate in effect at the balance sheet date, the effects of changes in the exchange rate is recorded in the results of operations within other income, net. The functional currency of the consolidated subsidiaries is the currency of their respective countries of incorporation. Asset and liabilities of the foreign subsidiaries are translated into Indian Rupees at each balance sheet date at the exchange rate prevailing on that date, while income and expenses are translated at the average exchange rate during the period. Resulting translation gains or losses are included in "Accumulated and other comprehensive income" a separate component of shareholders equity.

f. **Revenue recognition.**-

1. - Revenues from software solutions and consulting services are recognized on specified terms of contract in case of contract on time basis and in case of fixed price contracts revenue is recognized using percentage of completion method of accounting. The cumulative impact of any revision in estimates of the 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 receivable or billed in advance of services performed are recorded as unearned revenue. Unbilled services include in loans and advances represents amount recognized based on services performed in advance of billing in accordance with contract terms.

2. - Dividend income is recognized when right to receive is established.

3. - Interest income is recognized on time proportion basis.

4. Computers and furniture and fixtures

	2015	2014
Computers	\$ 17,353,728	\$ 11,469,347
Furniture and Fixtures	\$ 11,272,566	\$ 7,992,837
Total	\$ 28,626,294	\$ 19,462,184
Accumulated depreciation	\$ (18,566,428)	\$ (14,700,828)
Net Total	\$ 10,059,866	\$ 4,761,356

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5. Other assets

	2015	2014
Leasehold improvements	\$ 5,925,912	\$ 4,388,053
Guarantee Deposit	\$ 569,649	\$ 446,607
Licenses Software	\$ 800,778	\$ 424,372
Total	\$ 7,296,339	\$ 5,259,032
Accumulated amortization	\$ (4,837,635)	\$ (4,388,053)
Net Total	\$ 2,458,704	\$ 870,979

6. Taxes, including corporate income tax

	2015	2014
Employee income tax withhold	\$ 2,453,917	\$ 2,585,308
10% VAT withhold prof. fee	\$ 117,212	\$ 4,719
10% IT withhold leased	\$ 60,993	\$ (2,873)
IMSS employee-employer fee	\$ 1,557,943	\$ 1,368,556
10% IT withhold prof. fee	\$ 48,895	\$ 32,566
Withhold IT foreign payments	\$ 0	\$ (1,414)
1% payroll state tax	\$ 237,427	\$ 153,948
AFORE retirement savings fund	\$ 298,468	\$ 328,248
INFONAVIT (Housing Instit)	\$ 746,169	\$ 820,615
INFONAVIT (Loan)	\$ 364,054	\$ 390,336
INCOME TAX	\$ 1,050,034	\$ 3,250,834
VAT	\$ 34,751	\$ 0
Withhold IT Clients	\$ 0	\$ (303,887)
Total	\$ 6,969,863	\$ 8,626,956

7. Income tax

Statutory Income tax rate. - On December 1, 2004, certain amendments to the income tax (ISR) laws were enacted and were effective as of 2005. The most significant amendments are as follows: (a) the ISR rate was 29% in 2006, and 28% in 2007 and thereafter; (b) as of 2009, and 30% in 2010 paid statutory employee profit sharing will be fully deductible for ISR purposes.

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8. Documents (long term liabilities)

This account show liabilities to related parties as follows:

	2015	2014
Hexaware (India)	\$ 1,174,612	\$ 9,368,898
Hexaware (Pune)	\$ 0	\$ 22,777
Total	\$ 1,174,612	\$ 9,391,675

9. Partners Surplus

As of December 31st, 2015, the stockholders interests consists of minimum capital, subscribed and paid for as follows: Hexaware Technologies Limited Mexican Pesos (“mxp”) \$8,085,329 mxp equivalent to 99.97% and Hexaware Technologies Inc \$2,173 mxp, equivalent to 0.03%.

CPC Javier Fuentes Zambrano
Chartered Accountants
Certify Public Accountant no. 1632

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