

ANNUAL AUDIT REPORT

as of December 31st, 2015

Hexaware Technologies GmbH

Frankfurt am Main

Auditor's Certificate and Final Remarks

I have audited the financial statements, the company's books and the management's report of Hexaware Technologies GmbH for the fiscal year 01/01/ – 12/31/2015 and have issued an unqualified opinion:

"I have audited the annual financial statement, together with the bookkeeping systems and the management report of the Hexaware Technologies GmbH for the business year from 01/01/ to 12/31/2015.

The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German Commercial Code (HGB) and supplementary provisions in the articles of incorporation agreement are the responsibility of the Company's management. My responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on my audit.

I conducted my audit of the annual financial statements in accordance with § 317 HGB (German Commercial Code) and the generally accepted standards for the audit of financial statements published by the Institut der Wirtschaftsprüfer (IDW). These standards require that I plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. I believe that my audit provides a reasonable basis for my opinion.

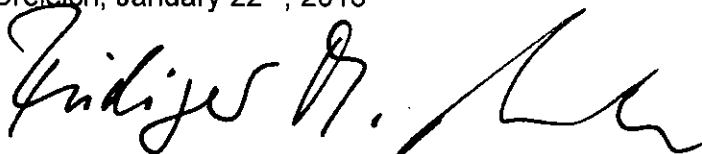
The audit has not led to any reservations.

In my opinion, the annual financial statements agree to the laws applicable, the articles of association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. On the whole, the management report provides a suitable understanding of the Company's position and suitably presents the risks of future development."

The audit report has been prepared in accordance with the generally accepted principles for audit reports (IDW PS 450) published by the Institute of Chartered Accountants .

I refer to § 328 HGB (German Commercial Code).

Dreieich, January 22nd, 2016

A handwritten signature in black ink, appearing to read 'Rüdiger M. Klonk', with a long horizontal flourish extending to the right.

Rüdiger M. Klonk

Certified Public Auditor

Balance Sheet as of 12/31/2015

Hexaware Technologies GmbH, Frankfurt am Main

	31.12.2015 €	31.12.2014 €	31.12.2015 €	31.12.2014 €
ASSETS				
A. FIXED ASSETS				
I. Intangible Assets				
1. Software	8.527,98	6.049,10	2.894.711,59	2.556.564,73
II. Tangible Assets			287.047,87	338.146,86
1. Land, land rights and buildings - including buildings on third-party	0,00	3.446,16	180.900,00	180.900,00
2. Furnitures and fixtures, office equipment	16.414,32 24.942,30	18.613,98 28.109,24	897.843,23	1.068.587,08
B. CURRENT ASSETS				
I. Inventories				
1. Work in process	509.661,37	397.776,15	114.218,39	55.364,77
II. Receivables and other assets				
1. Accounts receivable trade	2.064.573,56	2.777.367,75	125.500,52	0,00
2. Receivable from affiliated companies	53.049,33	2.487,05	114.218,39	55.364,77
3. Other assets	84.586,36	88.595,04	13.544,33	218.391,02
III. Bank deposit	2.041.214,44	1.414.745,18	284.213,04	392.170,62
	4.753.085,06	4.283.195,02	537.476,28	605.926,41
C. PREPAID EXPENSES				
	29.951,61	41.044,67	4.807.978,97	4.750.125,08
	<u>4.807.978,97</u>	<u>4.750.125,08</u>	<u>4.807.978,97</u>	<u>4.750.125,08</u>

SHAREHOLDER'S EQUITY and LIABILITIES

A. SHAREHOLDER'S EQUITY

I. Share Capital, registered	180.900,00
II. Profit carried forward	2.894.711,59
III. Profit for the year	287.047,87
	<u>3.372.659,46</u>

B. ACCRUALS

1. Tax accruals	0,00
2. Other accruals	897.843,23
	<u>897.843,23</u>

C. LIABILITIES

1. Customer advances	125.500,52
2. Accounts payable trade	114.218,39
- Liabilities, due within one year:	
€ 114.218,39 (prev. year: € 55.364,77)	218.391,02
3. Liabilities affiliated companies	13.544,33
- Liabilities, due within one year:	
€ 13.544,33 (prev. year: € 218.391,02)	392.170,62
4. Other liabilities	284.213,04
- Liabilities, due within one year:	
€ 284.213,04 (prev. year: € 332.170,62)	537.476,28
- Liabilities, taxes:	
€ 272.725,15 (prev. year: € 328.070,51)	605.926,41
- Liabilities, social security:	
1.467,05 € (prev. year: € 2.750,01)	605.926,41

Profit and Loss Statement
for the period

01.01. - 31.12.2015

Hexaware Technologies GmbH, Frankfurt am Main

	€	€	€
1. Sales	13.569.182,45		14.958.707,90
2. Decrease of work in process (prior year: increase)	111.885,22		-2.223,85
3. Other income thereof income from exchange rate differences € 26.603,72 (€ 0,00)	27.312,72		0,00
4. Cost of purchased services	5.790.792,13		6.253.047,56
5. Payroll expenses			
a) Salaries and wages	5.739.592,12	6.439.200,35	
b) social security	<u>938.636,26</u>	<u>1.009.668,58</u>	7.448.868,93
6. Depreciation			
a) on fixed assets	15.950,79		15.910,81
7. Other operating expenses thereof expenses from exchange rate differences € 0,00 (€ 4.562,32)	<u>771.912,38</u>		<u>730.812,41</u>
8. Interest income	451.496,71		507.844,34
9. Taxes on profit	8,16		302,52
10. Profit for the year	<u>153.600,00</u>		<u>170.000,00</u>
	<u>297.047,87</u>		<u>338.146,86</u>

Hexaware Technologies GmbH, Frankfurt am Main

Notes on the Financial Statements 2015

1. Application of the Accounting Directives Law (BiRiLiG)

The annual financial statements of our company have been prepared in compliance with the Accounting Law Modernization Act, applicable since May 29th, 2009.

In 2010 the law has been applied for the first time.

The prior year`s figures have not been reclassified.

We are a medium-sized private limited company according to § 267 (2) HGB.

To improve clarity, all legal comments on the balance sheet as well as on the profit and loss account positions are given in the notes on the financial statement.

2. Accounting Principles and Valuation Methods

Intangible assets acquired are valued at original costs, less scheduled depreciation. They are written down within 3 years using the linear method.

The valuation of tangible assets is based on acquisition or manufacturing costs.

The scheduled amortisation of fixed assets is charged over the anticipated useful life of 3 to 5 years for other assets, using the straight line method.

Additions to movable fixed assets were depreciated on a pro rata temporis basis.

Low value items are written off over a period of five years.

In case of receivables and other assets, valuation is based in principle on nominal amounts.

Risks, which were recognizable up to the balance sheet completion date and possible liabilities, were taken into account by adequate provisions.

In general, liabilities have been stated at the amount repayable.

Receivables and liabilities in foreign currencies are converted at the spot rate of the business transaction date.

As of December 31st, 2015 receivables were capitalized at their lowest value on the basis of the buying rate, and liabilities at their highest value on the basis of the selling rate of the balance sheet date.

3. Explanations and details on particular positions of the Annual Report.

Fixed Assets:

The development of fixed assets is presented in the following summary:

Analysis of fixed assets 01.01.-31.12.2015

for

Hexaware Technologies GmbH, Frankfurt am Main

	at cost			accumulated depreciation			net book value			
	balance	addition	disposal	balance	addition	disposal	balance			
	01.01.2015 €	€	€	01.01.2015 €	€	€	31.12.2015 €	31.12.2014 €		
I. Intangible Assets	120.379,05	6.853,63	0,00	127.232,68	114.329,95	4.374,75	0,00	118.704,70	8.527,98	6.049,10
II. Tangible Assets										
1. Land, land rights and buildings - including buildings on third-party	32.000,00	0,00	0,00	32.000,00	28.553,84	3.446,16	0,00	32.000,00	0,00	3.446,16
2. Office equipment, furniture, fixtures	91.910,68	5.930,16	0,00	97.840,84	73.296,71	8.129,88	0,00	81.426,52	16.414,32	18.613,97
	<u>123.910,68</u>	<u>5.930,16</u>	<u>0,00</u>	<u>129.840,84</u>	<u>101.850,55</u>	<u>11.576,04</u>	<u>0,00</u>	<u>113.426,52</u>	<u>16.414,32</u>	<u>22.060,13</u>
Total	<u>244.289,73</u>	<u>12.783,79</u>	<u>0,00</u>	<u>257.073,52</u>	<u>216.180,50</u>	<u>15.950,79</u>	<u>0,00</u>	<u>232.131,22</u>	<u>24.942,30</u>	<u>28.109,23</u>

Breakdown of accruals:

	T€
Vacation	491
Incentives	240
Legal and consultancy fees	72
Others	<u>95</u>
	<u>898</u>

The balance sheet item Liabilities affiliated companies includes trade payables to the amount of k€ 14.

Other liabilities include tax liabilities of k€ 273 and social security liabilities of k€ 1.

4. Other information

Number of employees

Employees on average in 2015: 80

Other financial obligations 2016 - 2017: Rent T€ 749

General Management:

Mr. Peruvemba Ramachandran Chandrasekar, engineer

Mr. Amrinder Singh, engineer

Name and corporate domicile of the parent company, which issues the consolidated financial statements for the biggest affiliated group:

Hexaware Technologies Ltd., Mumbai, India

The consolidated statements are published in Mumbai.

Frankfurt am Main, January 22nd, 2016

The Management

2. Cash flow statement

The cash flow statement shows major financing transactions and the cash flow for the fiscal year ending December 31st, 2015.

	<u>2015</u> k€	<u>2014</u> k€
<u>I. Cash Flow</u>		
1. <u>Cash -Flow</u>		
Profit for the year	297	338
+ Depreciation on fixed assets	16	16
+ Decrease of accruals	-171	2
= <u>Cash flow for the year</u>	<u>142</u>	<u>356</u>
2. <u>Modification of funds from operating activities</u>		
+ Decrease of receivables and other assets (prior year decrease)	574	-97
+ Decrease of liabilities (prior year increase) except accruals	-78	-87
	<u>496</u>	<u>-184</u>
<u>Cash flow from operating activities</u>	<u>638</u>	<u>172</u>
<u>II. Investments in fixed assets</u>		
- Additions to fixed assets	-12	-16
	<u>-12</u>	<u>-16</u>
<u>III. Cash position</u>		
Cash at the beginning of the business year	1.415	1.259
+ Changes of cash position (Total I und II)	626	156
= <u>Cash at the end of the business year</u>	<u>2.041</u>	<u>1.415</u>

BALANCE SHEET accounts

as of 31.12.2015

ASSETS

A. Current Assets

<u>Account</u>	<u>31.12.2015</u> €	<u>31.12.2014</u> €
<u>I. Intangible Assets</u>		
1. Software		
0027 Computer Software € 0.00 (€ 1,780.60)	<u>8.527,98</u>	<u>6.049,10</u>
<u>II. Tangible Assets</u>		
1. Land, land rights and buildings - including buildings on third-party		
0430 Improvement to Lease Premises	<u>0,00</u>	<u>3.446,16</u>
1. Office equipment, furnitures, fixtures		
0400 Computer & Printer	5.672,15	8.663,10
0410 Office Equipment	5.036,02	8.668,25
0485 Small Value Items Pool 2014	961,97	1.282,63
0486 Small Value Items Pool 2015	4.744,18	0,00
	<u>16.414,32</u>	<u>18.613,98</u>
<u>B. Current assets</u>		
<u>I. Inventories</u>		
3970 Work in process	<u>509.661,37</u>	<u>397.776,15</u>

<u>Account</u>	<u>31.12.2015</u> €	<u>31.12.2014</u> €
<u>II. Receivables and other assets</u>		
1. Accounts receivable trade		
1400 Accounts receivable	2.096.716,32	2.783.556,00
0998 Doubtful debts	-32.142,76	-6.188,25
	<u>2.064.573,56</u>	<u>2.777.367,75</u>
2. Receivables from affiliated companies		
0715 Hexaware Tech. Ltd.- Chennai	27.695,27	0,00
0716 Hexaware Tech. Ltd.- Mumbai	18.925,49	0,00
0717 Hexaware Tech. Inc.- USA	6.428,57	0,00
0721 Hexaware Tech. Ltd.- UK	0,00	2.487,05
	<u>53.049,33</u>	<u>2.487,05</u>
3. Other assets		
1501 Allianz Insurance Payable	6.618,68	0,00
1530 Receivable from personnel	29.098,27	0,00
1540 Tax overpayments 2013	154,26	154,26
1541 Tax overpayments 2014	79,73	79,73
1542 Tax overpayments 2015	40.188,07	0,00
1600 A/P trade (debit balance)	8.447,35	6.199,26
1702 AP personell (debit balance)	0,00	4.464,55
1741 Wage tax payable	0,00	77.697,24
	<u>84.586,36</u>	<u>88.595,04</u>
<u>III. Bank deposit</u>		
1210 Dresdner Bank -Kto 91294300	924.779,13	199.126,31
1215 Commerzbank Kto 91294301 US\$	1.100.816,44	0,00
1230 Dresdner Bank Kto. 912 943 84	15.618,87	15.618,87
1240 Dresdner Bank Kto. 912 943 20	0,00	1.200.000,00
	<u>2.041.214,44</u>	<u>1.414.745,18</u>
<u>C. Prepaid expenses</u>		
0980 Accrued income	<u>29.951,61</u>	<u>41.044,67</u>

**SHAREHOLDER'S EQUITY AND
LIABILITIES**

<u>Account</u>	<u>31.12.2015</u> €	<u>31.12.2014</u> €
<u>A. Shareholder's equity</u>		
<u>I. Share capital</u>		
0800 Paid-up capital	<u>180.900,00</u>	<u>180.900,00</u>
<u>II. Profit carried forward</u>		
0860 Retained earnings prior year	<u>2.894.711,59</u>	<u>2.556.564,73</u>
<u>III. Profit for the year</u>		
Profit for the year	<u>297.047,87</u>	<u>338.146,86</u>
Total amount shareholder's equity:	<u>3.372.659,46</u>	<u>3.075.611,59</u>
<u>B. Accruals</u>		
<u>1. Tax accruals</u>		
0957 Provision for Trade Tax	0,00	50.500,00
0963 Provision for Corporate Tax	0,00	52.305,98
	<u>0,00</u>	<u>102.805,98</u>
<u>2. Other accruals</u>		
0966 Provision for duty to retain records	5.000,00	5.000,00
0970 Provision for Other Expenses	329.390,00	322.640,00
0971 Provision for Vacation	491.213,23	580.781,10
0977 Provision for B/S & Audit fees	72.240,00	57.360,00
	<u>897.843,23</u>	<u>965.781,10</u>
<u>C. Liabilities</u>		
<u>1. Customer advances</u>		
1719 Advance billings	<u>125.500,52</u>	<u>0,00</u>
<u>2. Accounts payable trade</u>		
1600 A/P trade	<u>114.218,39</u>	<u>55.364,77</u>

<u>Account</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
	€	€
<u>3. Liabilities, affiliated companies</u>		
0715 Hexaware Tech. Ltd.- Chennai	0,00	166.075,88
0716 Hexaware Tech. Ltd.- Mumbai	0,00	27.013,71
0717 Hexaware Tech. Inc.- USA	0,00	1.476,98
0718 Caliber Point Business Solutions Ltd.	0,00	18.546,27
0719 Hexaware Tech. Ltd.- Pune	7.950,33	5.278,18
0722 Hexaware Tech. Ltd.- Bangalore	5.594,00	0,00
	<u>13.544,33</u>	<u>218.391,02</u>
<u>4. Other liabilities</u>		
1702 AP personnel	8.667,00	0,00
1740 Salary payable account	1.353,84	1.350,10
1741 Wage tax payable	88.562,66	0,00
1743 AP Soc.Security	1.467,05	2.750,01
1548 VAT Deductable following year	-1.221,43	0,00
1571 VAT Deductable -7%	-1.111,42	-1.260,23
1574 VAT Deductable -19% EU-purchase	-77,94	0,00
1576 VAT Deductable -19%	-95.840,94	-70.081,84
1577 VAT Deductable § 13b UStG 19%	-1.104.384,24	-1.206.840,56
1588 Import VAT	0,00	-92,23
1774 VAT Collected -19% EU-purchase	76,02	0,00
1776 VAT Collected -19%	2.486.331,48	2.771.076,32
1780 VAT Prepayment	-1.958.571,28	-2.095.413,51
1781 VAT Deposit -1/11	-245.422,00	-276.158,00
1787 VAT § 13b UStG 19%	1.104.384,24	1.206.840,56
	<u>284.213,04</u>	<u>332.170,62</u>

Summary of profit and loss accounts

01.01. - 31.12.2015

<u>Account</u>	<u>2015</u> €	<u>2014</u> €
<u>1. Sales</u>		
8000 Advance Billings	-125.500,52	161.810,00
8336 Non taxable other services	306.903,31	147.828,74
8338 Non taxable turnover third countries	315.659,25	91.692,80
8400 Sales Revenue -19% VAT	13.242.258,40	14.608.558,23
8721 Revenue deductions VAT 19%	-170.137,99	-51.181,87
	<u>13.569.182,45</u>	<u>14.958.707,90</u>
<u>2. Increase or decrease in work in process</u>		
8970 Change work in progress	<u>111.885,22</u>	<u>-2.223,85</u>
<u>3. Other income</u>		
2660 Difference-in-Exchange(Gain/Loss)	26.603,72	0,00
2735 Income from dissolving of accruals	0,00	0,00
2742 income from damages	709,00	0,00
	<u>27.312,72</u>	<u>0,00</u>
<u>4. Cost of purchased services</u>		
3100 Outside Services	697.944,13	297.190,00
3125 Outside Services- HTL (§ 13b)	5.092.848,00	5.955.819,00
3850 Customs charges	0,00	38,56
	<u>5.790.792,13</u>	<u>6.253.047,56</u>
	€	€
<u>5. Payroll expenses</u>		
<u>a) Salaries and wages</u>		
4120 Salaries	5.493.623,08	6.243.593,65
4121 Bonus/ Provision	240.000,00	118.956,00
4122 Employee costs	0,00	71.755,04
4145 Voluntary S.Sec. contrib. wage tax	5.969,04	4.895,66
	<u>5.739.592,12</u>	<u>6.439.200,35</u>

<u>Account</u>	<u>2015</u> €	<u>2014</u> €
<u>b) Social security</u>		
4130 Employer Cont. -S. Security	911.375,07	989.623,46
4138 Employer's Liability contribution	25.793,79	32.095,14
4140 Voluntary S. Sec. contrib. wage tax free	1.467,40	-12.050,02
	<u>938.636,26</u>	<u>1.009.668,58</u>
Total of payroll expenses	<u>6.678.228,38</u>	<u>7.448.868,93</u>
<u>6. Depreciation</u>		
<u>a) on fixed assets</u>		
4830 Depreciation	14.444,09	15.590,15
4862 Depreciation Pool	1.506,70	320,66
	<u>15.950,79</u>	<u>15.910,81</u>
<u>7. Other business expenses</u>		
<u>a) Room expenses</u>		
4210 Rent	60.058,26	56.337,42
4240 Gas, current, water	2.137,61	1.451,16
4250 Cleaning Expenses	3.194,92	2.871,00
	<u>65.390,79</u>	<u>60.659,58</u>
<u>b) Insurance</u>		
4139 Compensation charge SchwerbehindertenG	19.406,00	18.490,00
4360 Insurances	12.723,34	15.358,54
4380 Subscriptions	82.878,31	34.428,98
4396 Deductable default fines/ penalty payments	2.151,71	869,49
	<u>117.159,36</u>	<u>69.147,01</u>
<u>d) Repair and maintenance</u>		
4806 Maintenance cost for hard & software	<u>23.199,10</u>	<u>26.583,51</u>
	<u>23.199,10</u>	<u>26.583,51</u>

<u>Account</u>	<u>2015</u> €	<u>2014</u> €
<u>e) Selling expenses</u>		
4600 Marketing Expenses	15.975,84	40.454,74
4630 Presents up to value of € 35	103,68	6.176,83
4635 Presents non deductible	757,42	8.064,01
4650 Entertainment costs	0,00	140,07
4653 Business courtesies	281,35	548,72
4654 Entertainment costs- non deductible	27.551,81	25.946,71
4655 Business expenses- non deductible	2.706,02	0,00
4660 Travel Expenses	185.453,37	222.353,63
4661 Travel Exp. Sales people & support staff	41.880,52	40.203,56
	<u>274.710,01</u>	<u>343.888,27</u>
<u>f) Distribution costs</u>		
4730 Outgoing freights	3.487,41	3.512,10
	<u>3.487,41</u>	<u>3.512,10</u>
<u>g) Various operating expenses</u>		
2020 Expenses in other accounting periods	0,00	0,00
2451 Doubtful debts	25.954,51	6.188,25
2660 Difference-in-Exchange(Gain/Loss)	0,00	4.562,32
4142 Recruitment expenses	15.473,00	7.326,00
4900 Other operating expenses	11.202,28	1.648,11
4910 Post/Courier	1.033,72	756,05
4920 Telephone	39.640,90	43.872,83
4925 Fax and internet costs	4.038,60	3.476,22
4930 Office Expenses	1.155,64	819,48
4931 Printing charges	737,18	596,90
4940 Newspapers, Books	18,48	15.361,46
4944 Training fees	3.140,27	1.983,18
4945 Further education	1.031,00	777,00
4950 Legal and Consultancy Exp.	95.169,73	32.794,76
4955 Bookkeeping Costs	41.106,60	43.360,10
4957 Audit expenses	24.314,84	24.337,18
4964 Expenses for licences	3.048,75	27.383,14
4970 Bank Charges	20.900,21	11.778,96
	<u>287.965,71</u>	<u>227.021,94</u>
Total of other business expenses	<u>771.912,38</u>	<u>730.812,41</u>

<u>Account</u>	<u>2015</u> €	<u>2014</u> €
<u>8. Interest income</u>		
2650 Interest Income	<u>8,16</u>	<u>302,52</u>
<u>10. Taxes on profit</u>		
2200 Corporate income tax	76.800,00	81.889,88
2208 Solidarity surcharge	0,00	3.110,12
4320 Trade tax	76.800,00	85.000,00
	<u>153.600,00</u>	<u>170.000,00</u>