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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008
FOR
HEXAWARE TECHNOLOGIES UK LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2008

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HEXAWARE TECHNOLOGIES UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2008

DIRECTORS:

S SURYA
A NISHAR
A A NISHAR

SECRETARY:

R VISVANATHAN

REGISTERED OFFICE:

Walmar House
288-292 Regent Street
London
W1B 3AL

REGISTERED NUMBER:

03647007 (England and Wales)

AUDITORS:

Butler & Co
Chartered Accountants
& Registered Auditors
3rd Floor Walmar House
288-292 Regent Street
London
W1B 3AL

HEXAWARE TECHNOLOGIES UK LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31ST DECEMBER 2008**

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Software development and IT consultancy services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

S SURYA
A NISHAR
A A NISHAR

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made a non-political donation of £1,850 during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

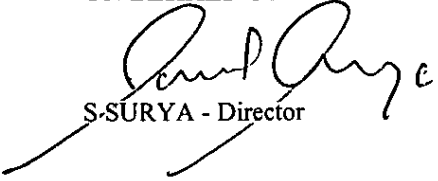
HEXAWARE TECHNOLOGIES UK LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2008

AUDITORS

The auditors, Butler & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S.SURYA - Director

10th February 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
HEXAWARE TECHNOLOGIES UK LIMITED

We have audited the financial statements of Hexaware Technologies UK Limited for the year ended 31st December 2008 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

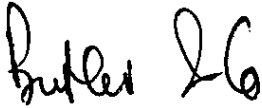
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
HEXAWARE TECHNOLOGIES UK LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Butler & Co
Chartered Accountants
& Registered Auditors
3rd Floor Walmar House
288-292 Regent Street
London
W1B 3AL

10th February 2009

HEXAWARE TECHNOLOGIES UK LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER		11,400,846	11,242,803
Cost of sales		<u>8,545,680</u>	<u>8,041,145</u>
GROSS PROFIT		2,855,166	3,201,658
Administrative expenses		<u>2,807,430</u>	<u>3,288,623</u>
		47,736	(86,965)
Other operating income		<u>180,536</u>	<u>5,527</u>
OPERATING PROFIT/(LOSS)	3	228,272	(81,438)
Interest receivable and similar income		<u>72,515</u>	<u>47,906</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		300,787	(33,532)
Tax on profit/(loss) on ordinary activities	4	<u>89,547</u>	<u>10,891</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>211,240</u>	<u>(44,423)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

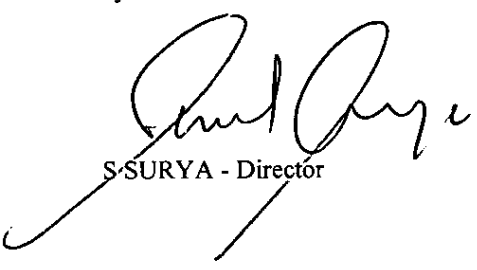
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED**BALANCE SHEET**
31ST DECEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	5	59,065	41,166
CURRENT ASSETS			
Debtors	6	2,954,821	3,955,301
Cash at bank and in hand		<u>1,992,466</u>	<u>1,551,044</u>
		4,947,287	5,506,345
CREDITORS			
Amounts falling due within one year	7	<u>1,630,171</u>	<u>2,382,570</u>
NET CURRENT ASSETS		<u>3,317,116</u>	<u>3,123,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,376,181</u>	<u>3,164,941</u>
CAPITAL AND RESERVES			
Called up share capital	9	3,067,000	3,067,000
Profit and loss account	10	<u>309,181</u>	<u>97,941</u>
SHAREHOLDERS' FUNDS	13	<u>3,376,181</u>	<u>3,164,941</u>

The financial statements were approved by the Board of Directors on 10th February 2009 and were signed on its behalf by:



S-SURYA - Director

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008**

	Notes	2008 £	2007 £
Net cash inflow from operating activities	1	255,951	325,165
Returns on investments and servicing of finance	2	72,515	47,906
Taxation		159,790	(210,101)
Capital expenditure	2	<u>(53,082)</u>	<u>(7,420)</u>
		435,174	155,550
Financing	2	<u>6,248</u>	<u>(67,580)</u>
Increase in cash in the period		<u>441,422</u>	<u>87,970</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>441,422</u>	<u>87,970</u>
Change in net funds resulting from cash flows		<u>441,422</u>	<u>87,970</u>
Movement in net funds in the period		441,422	87,970
Net funds at 1st January		<u>1,551,044</u>	<u>1,463,074</u>
Net funds at 31st December		<u>1,992,466</u>	<u>1,551,044</u>

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008****1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit/(loss)	228,272	(81,438)
Depreciation charges	35,183	26,945
Amounts owed to group undertakings	(1,266,815)	(522,301)
Payment on account	(57,451)	43,049
Decrease in debtors	810,542	611,501
Increase in creditors	506,220	247,409
Net cash inflow from operating activities	<u>255,951</u>	<u>325,165</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	<u>72,515</u>	<u>47,906</u>
Net cash inflow for returns on investments and servicing of finance	<u>72,515</u>	<u>47,906</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(53,082)</u>	<u>(7,420)</u>
Net cash outflow for capital expenditure	<u>(53,082)</u>	<u>(7,420)</u>
 Financing		
Amount introduced by directors	6,248	(58,030)
Amount withdrawn by directors	-	<u>(9,550)</u>
Net cash inflow/(outflow) from financing	<u>6,248</u>	<u>(67,580)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/08 £	Cash flow £	At 31/12/08 £
Net cash:			
Cash at bank and in hand	<u>1,551,044</u>	<u>441,422</u>	<u>1,992,466</u>
	<u>1,551,044</u>	<u>441,422</u>	<u>1,992,466</u>
 Total	<u>1,551,044</u>	<u>441,422</u>	<u>1,992,466</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced amounts of services provided and it is stated net of Value Added Tax. The turnover and profit is attributable to the principal activity of the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the lease term
Plant and machinery	- 20% on cost
Fixtures and fittings	- 12.5% on cost
Computer equipment	- 33.33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	3,577,897	3,466,580
Social security costs	<u>319,117</u>	<u>303,125</u>
	<u><u>3,897,014</u></u>	<u><u>3,769,705</u></u>

The average monthly number of employees during the year was as follows:

	2008	2007
Office Management	15	12
Software consultants	<u>74</u>	<u>58</u>
	<u><u>89</u></u>	<u><u>70</u></u>

HEXAWARE TECHNOLOGIES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008****3. OPERATING PROFIT/(LOSS)**

The operating profit (2007 - operating loss) is stated after charging/(crediting):

	2008 £	2007 £
Depreciation - owned assets	35,183	26,945
Auditors' remuneration	10,000	10,000
Foreign exchange differences	<u>(180,536)</u>	<u>17,215</u>

Directors' emoluments	<u>276,705</u>	<u>280,052</u>
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Information regarding the highest paid director is as follows:

	2008 £	2007 £
Emoluments etc	<u>150,894</u>	<u>157,500</u>

4. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax	<u>89,547</u>	<u>10,891</u>
Tax on profit/(loss) on ordinary activities	<u>89,547</u>	<u>10,891</u>

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1st January 2008	35,684	9,610	32,858	51,176	129,328
Additions	<u>28,928</u>	<u>1,477</u>	<u>17,518</u>	<u>5,159</u>	<u>53,082</u>
At 31st December 2008	<u>64,612</u>	<u>11,087</u>	<u>50,376</u>	<u>56,335</u>	<u>182,410</u>
DEPRECIATION					
At 1st January 2008	22,048	6,112	23,624	36,378	88,162
Charge for year	<u>16,573</u>	<u>2,134</u>	<u>3,818</u>	<u>12,658</u>	<u>35,183</u>
At 31st December 2008	<u>38,621</u>	<u>8,246</u>	<u>27,442</u>	<u>49,036</u>	<u>123,345</u>
NET BOOK VALUE					
At 31st December 2008	<u>25,991</u>	<u>2,841</u>	<u>22,934</u>	<u>7,299</u>	<u>59,065</u>
At 31st December 2007	<u>13,636</u>	<u>3,498</u>	<u>9,234</u>	<u>14,798</u>	<u>41,166</u>

HEXAWARE TECHNOLOGIES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008****6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Trade debtors	2,008,951	3,174,863
Other debtors	128,251	72,356
Amounts owed by group undertakings	315,351	448,485
Loan to group undertaking	431,017	-
Directors' current accounts	53,479	59,552
Tax	-	183,865
Prepayments	17,772	16,180
	<u>2,954,821</u>	<u>3,955,301</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Payments on account	-	57,451
Trade creditors	52,515	67,467
Amounts owed to group undertakings	27,052	1,293,867
Tax	65,472	-
Social security and other taxes	106,078	-
VAT	254,448	299,003
Other creditors	34,412	13,430
Directors' current accounts	175	-
Accrued expenses	1,090,019	651,352
	<u>1,630,171</u>	<u>2,382,570</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2008	2007	2008	2007
	£	£	£	£
Expiring:				
Within one year	107,964	72,187	9,210	7,866
Between one and five years	-	72,187	12,242	3,871
	<u>107,964</u>	<u>144,374</u>	<u>21,452</u>	<u>11,737</u>

HEXAWARE TECHNOLOGIES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008****9. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value: £1	2008 £ <u>11,000,000</u>	2007 £ <u>11,000,000</u>
11,000,000	Ordinary			

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2008 £ <u>3,067,000</u>	2007 £ <u>3,067,000</u>
3,067,000	Ordinary			

10. RESERVES

	Profit and loss account £
At 1st January 2008	97,941
Profit for the year	<u>211,240</u>
At 31st December 2008	<u>309,181</u>

11. ULTIMATE PARENT COMPANY

The ultimate holding company is Hexaware Technologies Limited, a company incorporated in India.

12. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31st December 2008 and 31st December 2007:

	2008 £	2007 £
S SURYA		
Balance outstanding at start of year	59,552	1,522
Balance outstanding at end of year	53,479	59,552
Maximum balance outstanding during year	<u>59,552</u>	<u>59,552</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit/(Loss) for the financial year	211,240	(44,423)
New shares issued		
Net addition/(reduction) to shareholders' funds	<u>211,240</u>	<u>(44,423)</u>
Opening shareholders' funds	<u>3,164,941</u>	<u>3,209,364</u>
Closing shareholders' funds	<u>3,376,181</u>	<u>3,164,941</u>

HEXAWARE TECHNOLOGIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

14. BANK GUARANTEE

The company's bankers, Royal Bank of Scotland Plc, have given a guarantee to a third party of £38,650 and has a lien on a deposit with the bank of a similar amount.