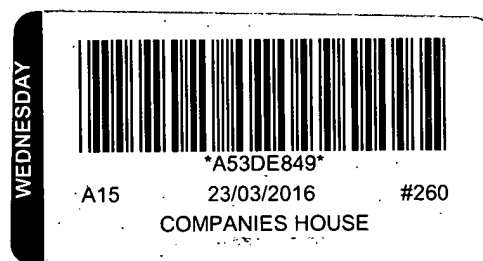


REGISTERED NUMBER: 03647007 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2015
for
HEXAWARE TECHNOLOGIES UK LIMITED



HEXAWARE TECHNOLOGIES UK LIMITED

Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2015

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	16

HEXAWARE TECHNOLOGIES UK LIMITED

Company Information
FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS:

P R Chandrasekar
A Singh
S Ramakarthikeyan

SECRETARY:

R Visvanathan

REGISTERED OFFICE:

C/O Butler & Co. LLP
3rd Floor
126-134 Baker Street
London
W1U 6UE

REGISTERED NUMBER:

03647007 (England and Wales)

AUDITORS:

Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

HEXAWARE TECHNOLOGIES UK LIMITED

Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

Revenue for the year amounted to £ 24,846,356 an increase of 26.7 % over 2014, and the profit after tax for the year amounted to £657,451 an increase of 42.2% from 2014.

The company office is at Canary Wharf, London, UK. It has got a branch in Hungary to serve its local customers.

The directors were satisfied with the performance of the company. The company's aggressive sales strategies have helped increase the revenues during the year. The company continued focus on offshore model of delivery and provides solution based delivery to its clients.

ON BEHALF OF THE BOARD:



A Singh - Director

29 January 2016

HEXAWARE TECHNOLOGIES UK LIMITED

Report of the Directors **FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

P R Chandrasekar
A Singh

Other changes in directors holding office are as follows:

A Nishar - resigned 9 July 2015
S Ramakarthikeyan - appointed 21 October 2015

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, balances with group undertakings and various items such as trade debtors, trade creditors etc, that arise directly from its operations. The company's activities expose it to various risks like foreign currency risk and interest rate risk, credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

Foreign currency risk

The company's transactions are predominantly in Pound Sterling and incurs foreign currency risk on transactions that are denominated in currency other than Pound Sterling, such as Euro and United States Dollars. The company does not hedge any currency exposures.

Interest rate risk

The company finances its operations through a retained profits. The company has no significant exposure to market risk for changes in interest rates.

Liquidity risk

The company has no overdraft facilities or requirement, and manages its liquidity risk mainly through funds generated from operations.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are bank deposits, trade receivables and amounts owed by group companies. The company manages its credit risk thorough credit checks, and rigorous debt collection procedures.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

HEXAWARE TECHNOLOGIES UK LIMITED

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2015

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 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



A Singh - Director

29 January 2016

Report of the Independent Auditors to the Members of
Hexaware Technologies UK Limited

We have audited the financial statements of Hexaware Technologies UK Limited for the year ended 31 December 2015 on pages six to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

S Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE



29 January 2016

HEXAWARE TECHNOLOGIES UK LIMITED**Profit and Loss Account**
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
TURNOVER	2	24,846,356	19,611,423
Cost of sales		18,374,258	14,645,317
GROSS PROFIT		6,472,098	4,966,106
Administrative expenses		5,644,918	4,297,151
		827,180	668,955
Other operating income		994	1,481
OPERATING PROFIT	4	828,174	670,436
Interest receivable and similar income		2,777	6,175
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		830,951	676,611
Tax on profit on ordinary activities	5	78,379	147,500
PROFIT FOR THE FINANCIAL YEAR		752,572	529,111

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 profits for the current year or previous year.

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED (REGISTERED NUMBER: 03647007)**Balance Sheet**
31 DECEMBER 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	6	98,627	113,209
Investments	7	658	658
		<u>99,285</u>	<u>113,867</u>
CURRENT ASSETS			
Debtors	8	7,747,203	6,811,332
Cash at bank		1,759,183	800,281
		<u>9,506,386</u>	<u>7,611,613</u>
CREDITORS			
Amounts falling due within one year	9	5,602,126	4,474,507
NET CURRENT ASSETS		<u>3,904,260</u>	<u>3,137,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,003,545</u>	<u>3,250,973</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,167,000	2,167,000
Profit and loss account	12	1,836,545	1,083,973
SHAREHOLDERS' FUNDS	16	<u>4,003,545</u>	<u>3,250,973</u>

The financial statements were authorised for issue by the Board of Directors on 29 January 2016 and were signed on its behalf by:



A Singh - Director

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED**Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	1	947,588	(892,638)
Returns on investments and servicing of finance	2	2,777	6,175
Taxation		35,112	(100,205)
Capital expenditure	2	(26,575)	(107,333)
Increase/(decrease) in cash in the period		<u>958,902</u>	<u>(1,094,001)</u>

Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>958,902</u>	<u>(1,094,001)</u>
Change in net funds resulting from cash flows		<u>958,902</u>	<u>(1,094,001)</u>
Movement in net funds in the period		<u>958,902</u>	<u>(1,094,001)</u>
Net funds at 1 January		<u>800,281</u>	<u>1,894,282</u>
Net funds at 31 December		<u>1,759,183</u>	<u>800,281</u>

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2015****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2015	2014
	£	£
Operating profit	828,174	670,436
Depreciation charges	41,157	27,481
Loss on disposal of fixed assets	-	7,328
Amounts owed to group undertakings	407,009	1,075,707
Increase in debtors	(935,871)	(3,624,821)
Increase in creditors	607,119	951,231
Net cash inflow/(outflow) from operating activities	947,588	(892,638)

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	2,777	6,175
Net cash inflow for returns on investments and servicing of finance	2,777	6,175
Capital expenditure		
Purchase of tangible fixed assets	(26,575)	(107,333)
Net cash outflow for capital expenditure	(26,575)	(107,333)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/15	Cash flow	At
	£	£	31/12/15
			£
Net cash:			
Cash at bank	800,281	958,902	1,759,183
	<u>800,281</u>	<u>958,902</u>	<u>1,759,183</u>
Total	800,281	958,902	1,759,183

The notes form part of these financial statements

HEXAWARE TECHNOLOGIES UK LIMITED

Notes to the Financial Statements **FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a consistent basis in accordance with applicable Accounting Standards in the United Kingdom, and in compliance with the Companies Act 2006. A summary of the principal accounting policies is set out below.

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.

Revenue for software services is recognised on the basis of services rendered. In case of time and material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer. Revenue on fixed price contracts is recognised on percentage completion method until an invoice is raised to the customer.

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.

Pension costs and other post-retirement benefits

The company operates a group stakeholder pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2015 £	2014 £
Banking and Financial Services	5,017,890	4,553,639
Global Travel & Transportation	3,753,390	2,197,297
Healthcare & Insurance	6,652,287	3,997,022
Manufacturing & Others	9,422,789	8,863,465
	<u>24,846,356</u>	<u>19,611,423</u>

HEXAWARE TECHNOLOGIES UK LIMITED**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****2. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
UK	17,478,377	12,413,919
Belgium	2,577,695	1,722,762
Switzerland	3,392,168	3,801,685
Netherlands	1,156,969	1,270,960
Ireland	61,946	177,544
Norway	46,689	93,830
Sweden	132,512	113,100
Denmark	-	17,623
	<u>24,846,356</u>	<u>19,611,423</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	8,248,444	6,512,791
Social security costs	627,607	467,642
Other pension costs	99,479	71,252
	<u>8,975,530</u>	<u>7,051,685</u>

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

	2015	2014
Office Management	31	24
Software consultants	114	99
	<u>145</u>	<u>123</u>

4. OPERATING PROFIT

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

	2015 £	2014 £
Depreciation - owned assets	41,157	27,483
Loss on disposal of fixed assets	-	7,328
Auditors' remuneration	18,105	17,250
Audit-related assurance services	8,000	7,000
Taxation compliance services	10,000	10,080
Other non- audit services	1,000	1,000
Foreign exchange differences	(10,631)	74,191
	<u>265,379</u>	<u>351,823</u>
Directors' remuneration	<u>265,379</u>	<u>351,823</u>

Information regarding the highest paid director is as follows:

	2015 £	2014 £
Emoluments etc	<u>265,379</u>	<u>351,823</u>

HEXAWARE TECHNOLOGIES UK LIMITED**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****5. TAXATION****Analysis of the tax charge**

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

	2015 £	2014 £
Current tax:		
UK corporation tax	78,379	147,500
Tax on profit on ordinary activities	<u>78,379</u>	<u>147,500</u>

UK corporation tax has been charged at 20.25% (2014 - 21.50%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>830,951</u>	<u>676,611</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	168,268	145,471
Effects of:		
Excess of capital allowance over depreciation	2,953	(17,168)
Expenses disallowed for tax purposes	10,726	11,512
Difference in tax rates for Jan to March	-	(44)
Over/Under provision of tax	(103,568)	7,729
Current tax charge	<u>78,379</u>	<u>147,500</u>

UK corporation tax has been charged @ 21% from January to March 2015 and at 20% from April to December 2015.

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2015	71,740	14,171	18,383	85,703	189,997
Additions	-	2,997	-	23,578	26,575
At 31 December 2015	<u>71,740</u>	<u>17,168</u>	<u>18,383</u>	<u>109,281</u>	<u>216,572</u>
DEPRECIATION					
At 1 January 2015	3,711	7,513	15,716	49,848	76,788
Charge for year	14,843	1,817	1,315	23,182	41,157
At 31 December 2015	<u>18,554</u>	<u>9,330</u>	<u>17,031</u>	<u>73,030</u>	<u>117,945</u>
NET BOOK VALUE					
At 31 December 2015	<u>53,186</u>	<u>7,838</u>	<u>1,352</u>	<u>36,251</u>	<u>98,627</u>
At 31 December 2014	<u>68,029</u>	<u>6,658</u>	<u>2,667</u>	<u>35,855</u>	<u>113,209</u>

HEXAWARE TECHNOLOGIES UK LIMITED**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2015	
and 31 December 2015	658
NET BOOK VALUE	
At 31 December 2015	658
At 31 December 2014	658

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Hexaware Technologies DO Brazil Limited

Country of incorporation: Brazil

Nature of business: Software development and IT consultancy services

	% holding	2015	2014
Class of shares:		£	£
Ordinary	100.00	12,171	(6,299)
Aggregate capital and reserves		15,661	17,178
Profit for the year			

As at 31 December 2015, the amount due from the subsidiary in Brazil is £nil (2014 : £13,735).

These financial statements contain information about Hexaware Technologies UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 as the company itself is a subsidiary undertaking and its parent undertaking is not established under the law of an EEA state. The company is included in consolidated accounts of its parent company.

8. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	5,684,830	4,315,485
Other debtors	1,827,936	2,253,104
Amounts owed by group undertakings	28,645	47,281
Prepayments	130,792	86,162
	7,672,203	6,702,032
Amounts falling due after more than one year:		
Other debtors	75,000	109,300
Aggregate amounts	7,747,203	6,811,332

HEXAWARE TECHNOLOGIES UK LIMITED**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade creditors	199,557	270,267
Amounts owed to group undertakings	2,230,950	1,823,941
Tax	222,000	108,509
Social security and other taxes	284,578	179,198
VAT	739,871	519,845
Other creditors	18,462	52,155
Accrued expenses	1,906,708	1,520,592
	<u>5,602,126</u>	<u>4,474,507</u>

10. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	2015	2014
	£	£
Expiring:		
Within one year	189,900	103,175
Between one and five years	490,576	683,747
	<u>680,476</u>	<u>786,922</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

12. RESERVES

	Profit and loss account
	£
At 1 January 2015	1,083,973
Profit for the year	<u>752,572</u>
At 31 December 2015	<u>1,836,545</u>

13. PENSION COMMITMENTS

At the year end the amount payable towards pension is £18,380 (2014: £ 45,237).

14. ULTIMATE PARENT COMPANY

Ultimate Holding Company and its subsidiaries - Baring Private Equity Asia GP V. LP, Cayman Island.

- The Baring Asia Private Equity Fund V, LP, Cayman Island.
- Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius.
- Parel Investment Holding Limited, Mauritius.
- HT Global IT solutions Holding Limited, Mauritius.

Holding Company - Hexaware Technologies Limited, India.

HEXAWARE TECHNOLOGIES UK LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

15. RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard No. 8 " Related Party Transactions", transactions with other group undertakings have not been disclosed in these financial statements.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	752,572	529,111
Reduction in share capital		
Net addition to shareholders' funds	752,572	529,111
Opening shareholders' funds	3,250,973	2,721,862
Closing shareholders' funds	4,003,545	3,250,973

17. BANK GUARANTEE

The company's bankers, Royal Bank of Scotland Plc, have given a guarantee to a third party of £ 75,000 and has a lien on a deposit with the bank of a similar amount.