

COMPANY REGISTRATION NUMBER 04276081

PATNI TELECOM SOLUTIONS (UK) LIMITED
FINANCIAL STATEMENTS
31ST DECEMBER 2009



Winterstoke Financial Management Limited
Chartered Accountants & Registered Auditors
Unit 1, Rivermead
Pipers Way, Thatcham
Berkshire RG19 4EP

PATNI TELECOM SOLUTIONS (UK) LIMITED

FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

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PATNI TELECOM SOLUTIONS (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr Jitender Saroop Mr Brian Stones
Company Secretary	Mr Rahul Vijay
Registered office	The Patni Building 264-270 Bath Road Harlington, Hayes Middlesex UB3 5JJ
Auditors	Winterstoke Financial Management Limited Chartered Accountants and Registered Auditors Unit 1, Rivermead Pipers Way Thatcham Berkshire RG19 4EP

PATNI TELECOM SOLUTIONS (UK) LIMITED

THE DIRECTORS' REPORT

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the company for the accounting period ended 31st December 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of IT outsourcing.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The company's loss before tax for the period amounted to £1,263,828 (2008 loss of £1,157,569). The directors have not recommended a dividend.

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.

As a software solutions provider within the telecoms and digital media industry, we focus on providing cost effective but stable solutions to our customers in the development of their business strategies.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these are turnover and gross margin.

Turnover decreased during the year substantially as a reduction in revenue from a Major Contract. Some projects have evolved through the software cycle and have come to their natural end, and have been replaced by support contracts with minimal revenue.

Margin has reduced due to pressure on billable rates from a Major client.

Losses continue from 2008, showing an operating loss of £1,263,628 in 2009 and this has been deducted from reserves.

As we continue to develop the global nature of our solutions offering to the telecoms and digital media industry, the business environment in which we operate continues to be challenging. However, with a highly skilled and motivated workforce, it will be able to adapt to the economic and technological changes in the market place and be ready to win business based on its growing reputation and expertise in the communications, media and utilities domain.

DIRECTORS

The directors who served the company during the year were Mr Jitender Saroop and Mr Brian Stones.

CREDITOR PAYMENT POLICY AND PRACTICE

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. At 31 December 2009 the company had an average of 16 days' (2008 4 days') purchases outstanding in trade creditors.

PATNI TELECOM SOLUTIONS (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

DONATIONS

During the period, the company made the following contributions

	2009 £	2008 £
Charitable	<u>—</u>	<u>—</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those 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,

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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 2006. The directors 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.

DISCLOSURE OF INFORMATION TO AUDITORS

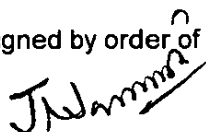
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all steps that they ought in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Winterstoke Financial Management Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Registered office
The Patni Building
264-270 Bath Road
Harlington, Hayes
Middlesex UB3 5JJ

Signed by order of the directors



Mr J Saroop
Director

PATNI TELECOM SOLUTIONS (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

We have audited the financial statements of Patni Telecom Solutions (UK) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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 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 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 in the Statement of Directors' Responsibilities.

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 2006. We also report to you whether, in our opinion, the information given in the Directors' Report 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 Directors' Report 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 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.

PATNI TELECOM SOLUTIONS (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS *(continued)*
ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

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 31 December 2009, and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements

J M HANDLEY POTTS
Senior Statutory Auditor



WINTERSTOKE FINANCIAL MANAGEMENT LIMITED
Chartered Accountant & Registered Auditor
Unit 1, Rivermead
Pipers Way
Thatcham
Berkshire
RG19 4EP

Date

18 March 2010

PATNI TELECOM SOLUTIONS (UK) LIMITED
PROFIT AND LOSS ACCOUNT
ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Note		
TURNOVER	2 6,933,767	17,443,377
Cost of sales	<u>(6,859,867)</u>	<u>(16,318,540)</u>
GROSS PROFIT/(LOSS)	73,900	1,124,837
Other income	–	–
Administrative expenses	<u>(1,345,124)</u>	<u>(2,323,621)</u>
OPERATING PROFIT	3 (1,271,224)	(1,198,784)
Interest receivable	7,996	41,215
Interest payable	<u>6 (600)</u>	<u>–</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,263,828)	(1,157,569)
Tax on profit on ordinary activities	7 –	328,123
RETAINED PROFIT FOR THE FINANCIAL YEAR	(1,263,828)	(829,446)
Balance brought forward	<u>4,285,562</u>	<u>5,115,008</u>
Balance carried forward	<u>3,021,734</u>	<u>4,285,562</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

There were no acquisitions or discontinued operations in the period

The notes on pages 8 to 13 form part of these financial statements

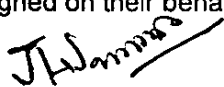
PATNI TELECOM SOLUTIONS (UK) LIMITED

COMPANY REGISTRATION NUMBER 04276081

BALANCE SHEET**31ST DECEMBER 2009**

	Note	31 December 2009 £	31 December 2008 £
FIXED ASSETS			
Tangible assets	8	144,566	288,112
CURRENT ASSETS			
Debtors	9	2,440,186	7,816,653
Cash at bank		2,593,011	1,034,875
		<u>5,033,197</u>	<u>8,851,528</u>
CREDITORS Amounts falling due within one year	10	<u>(2,104,044)</u>	<u>(4,802,093)</u>
NET CURRENT ASSETS		<u>2,929,153</u>	<u>4,049,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,073,719</u>	<u>4,337,547</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred tax	11	17,730	17,730
		<u>3,091,449</u>	<u>4,355,277</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	1,000	1,000
Share premium account	14	68,715	68,715
Profit and loss account		3,021,734	4,285,562
SHAREHOLDERS' FUNDS	15	<u>3,091,449</u>	<u>4,355,277</u>

These financial statements were approved by the directors on the 18.3.2010 and are signed on their behalf by



MR J SAROOP

The notes on pages 8 to 13 form part of these financial statements.

PATNI TELECOM SOLUTIONS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	- 33 3% straight line
Fixtures & Fittings	- 10% and 20% straight line

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates

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 the transaction. Exchange differences are taken into account in arriving at the operating profit

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. The costs of the contributions are written off against profit in the year in which they are payable

PATNI TELECOM SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

2. TURNOVER

The turnover profit before tax are attributable to the one principal activity of the company. All of the turnover is attributable to the UK apart from £694,501 (2008 £3,344,966 to the USA).

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting).

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Depreciation of owned fixed assets	156,611	157,309
Loss/(profit) on sale of assets	12,981	—
Auditors' remuneration - as auditors	7,000	7,200
- other services	14,508	17,817
Net (profit)/loss on foreign currency translation	<u>267,876</u>	<u>123,295</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	Year ended 31 Dec 09 No	Year ended 31 Dec 08 No
Number of consultants	111	145
Number of management staff	5	9
	<u>116</u>	<u>154</u>

The aggregate payroll costs of the above were

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Wages and salaries	7,450,285	7,371,334
Social security costs	736,228	816,953
	<u>8,186,513</u>	<u>8,188,287</u>

5. DIRECTORS' EMOLUMENTS

No remuneration was paid during the year nor are the directors accruing benefits under company pension schemes.

PATNI TELECOM SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

6. INTEREST PAYABLE

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Bank interest	<u>600</u>	<u>—</u>
	600	—

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Current tax		
Corporation tax for the year at 28% (2008 - 28%)	—	(322,000)
Under/(over) provision in prior years	—	35
Total current tax	<u>—</u>	<u>(321,965)</u>
Deferred tax		
Increase/(decrease) in deferred tax provision	—	(6,162)
Total deferred tax	<u>—</u>	<u>(6,162)</u>
Tax on profit on ordinary activities	<u>—</u>	<u>(328,123)</u>

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 28%

	Year ended 31 Dec 09 £	Year ended 31 Dec 08 £
Profit/(loss) on ordinary activities before taxation	<u>(1,263,828)</u>	<u>(1,157,569)</u>
Profit/(loss) on ordinary activities by rate of tax	(353,872)	(324,119)
Expenditure not deductible for tax purposes	1,503	17,249
Depreciation in excess of capital allowances	24,692	6,162
Losses carried forward	327,677	—
Corporation tax rate change	—	(23,151)
Prior year adjustments	—	544
Rounding	—	1,170
Total current tax	<u>—</u>	<u>(321,965)</u>

PATNI TELECOM SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Total £
COST			
At 1st January 2009	465,850	128,074	593,924
Additions	26,943	–	26,943
Disposals	(123,328)	(15,482)	138,810
At 31st December 2009	<u>369,465</u>	<u>112,592</u>	<u>482,057</u>
DEPRECIATION			
At 1st January 2009	216,238	89,574	305,812
Charge for the year	126,032	30,579	156,611
Relating to disposals	(113,048)	(11,884)	(124,932)
At 31st December 2009	<u>229,222</u>	<u>108,269</u>	<u>337,491</u>
NET BOOK VALUE			
At 31st December 2009	<u>140,243</u>	<u>4,323</u>	<u>144,566</u>
At 1st January 2009	<u>249,612</u>	<u>38,500</u>	<u>288,112</u>

9. DEBTORS

	31 Dec 2009 £	31 Dec 2008 £
Trade debtors	1,089,026	3,913,088
Corporation tax recoverable	544,424	576,041
VAT	–	300,422
Other debtors	86,621	371,188
Prepayments and accrued income	720,115	2,655,914
	<u>2,440,186</u>	<u>8,166,653</u>

10. CREDITORS: Amounts falling due within one year

	31 Dec 2009 £	31 Dec 2008 £
Trade creditors	447,186	1,258,924
Amounts owed to group undertakings	64,518	1,837,654
PAYE and social security	144,586	252,859
VAT	121,889	–
Other creditors	169,813	23,614
Accruals and deferred income	1,156,052	1,429,042
	<u>2,104,044</u>	<u>4,802,093</u>

PATNI TELECOM SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

11. DEFERRED TAXATION

	31 Dec 2009	31 Dec 2008
	£	£
Provision/(asset) brought forward	(17,730)	(11,568)
Profit & loss account movement in the year	-	(6,706)
Under/(over) provision in prior years	-	544
	<u>(17,730)</u>	<u>(17,730)</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	31 Dec 2009	31 Dec 2008
	£	£
Excess of capital allowances over depreciation	(17,730)	(17,730)
Other timing differences	-	-
	<u>(17,730)</u>	<u>(17,730)</u>

12. RELATED PARTY TRANSACTIONS

The company was under the control of Patni Telecom Solutions Inc throughout the current and previous year

During the period the parent company charged costs to the company for the provision of staff of £62,201 (2008 £nil) and other associated companies charged costs for the provision of staff, sub-contract labour and related expenses of £3,265,992 (2008 £6,510,491). The company recharged costs to the same entities amounting to £6,171,314 (2008 £5,613,520).

13. SHARE CAPITAL

Authorised share capital

	31 Dec 2009	31 Dec 2008
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	31 December 2009		31 December 2008	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

14. SHARE PREMIUM ACCOUNT

	31 Dec 2009	31 Dec 2008
	£	£
Balance brought forward	68,715	68,715
Balance carried forward	<u>68,715</u>	<u>68,715</u>

PATNI TELECOM SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PERIOD ENDED 31ST DECEMBER 2009

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Dec 2009	31 Dec 2008
	£	£
Profit/(loss) for the financial year	(1,263,828)	(829,446)
Opening shareholders' equity funds	<u>4,355,277</u>	<u>5,184,723</u>
Closing shareholders' equity funds	<u>3,091,449</u>	<u>4,355,277</u>

16. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking at 31 December 2009 was Patni Telecom Solutions Inc, a company registered in the United States of America. Copies of its group accounts are available from 1521, California Circle, Milpitas, CA 94538, USA. The ultimate parent company of Patni Computer Systems Inc is Patni Computer Systems Limited, a company registered in India. Copies of its group accounts are available from Akruti, MIDC Cross Road No 21, Andheri (E), Mumbai-400 093, India.