

# Our **time** starts **now!**



Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Saksoft Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Saksoft Limited Annual Report 2017-18



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# Corporate Information

## BOARD OF DIRECTORS

Chairman & Managing Director  
Aditya Krishna

Independent Non Executive Directors  
Amitava Mukherjee  
Ajit Thomas  
VVR Babu

Non-Executive Director  
Kanika Krishna

## EXECUTIVE COMMITTEE

Chairman & Managing Director  
Aditya Krishna

Chief Financial Officer  
Niraj Kumar Ganeriwala

Executive Vice President  
& Global Delivery Head  
Dhiraj Kumar Mangla

Senior Vice President & Global Head -  
Information Management Services  
Gopakumar N Kavunkal

Vice President – APAC Sales  
Bhaskar Narayanan

Senior Vice President – Business Growth  
T S Balaji

Chief Commercial Officer - Acuma  
Solutions (A Saksoft company)  
Jonathan Eeley

CEO, Dream Orbit (A Saksoft Company)  
Sanchit Jain

CTO, Dream Orbit (A Saksoft Company)  
Abhishek Porwal

Director- Testing Services  
Vivek Srivastava

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**  
S.Muthukrishnan

## WEBSITES

[www.saksoft.com](http://www.saksoft.com)  
[www.acuma.co.uk](http://www.acuma.co.uk)  
[www.edprof.com](http://www.edprof.com)  
[www.360logica.com](http://www.360logica.com)  
[www.dreamorbit.com](http://www.dreamorbit.com)  
[www.faichi.com](http://www.faichi.com)

## E-MAIL

[info@saksoft.com](mailto:info@saksoft.com)  
[complianceofficer@saksoft.co.in](mailto:complianceofficer@saksoft.co.in)  
[investorqueries@saksoft.co.in](mailto:investorqueries@saksoft.co.in)

## AUDITORS

M/s RGN Price &Co.,  
*Chartered Accountants*  
861, Anna Salai, Triplicane,  
Chennai-600002

## BANKERS

IndusInd Bank, Chennai  
The RBL Bank Limited, Chennai  
Citibank N.A, Chennai  
Deutsche Bank, Chennai  
State Bank of India, Chennai  
HDFC Bank, Chennai

## REGISTERED AND CORPORATE OFFICE

SP Infocity,  
Block A, 2nd Floor,  
#40, Dr. MGR Salai, Kandanchavadi,  
Perungudi, Chennai 600 096.

Ph: 91 44 24543500  
Fax: 91 44 24543501

## SUBSIDIARIES

Saksoft Inc., USA  
Saksoft Pte Limited, Singapore  
Saksoft Solutions Limited, UK  
Electronic Data Professionals, Inc., US  
Acuma Solutions Limited, UK  
Acuma Software Limited, UK  
Threesixty Logica Testing Services  
Private Limited, India  
Threesixty Logica Testing Services, Inc US.  
Dreamorbit Softech Private Limited, India  
Dreamorbit Inc,US  
Faichi Solutions Inc, US

## REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited  
Subramanian Building,  
No. 1, Club House Road, Chennai 600 002.  
  
Ph: 91 44 28460390  
Fax: 91 44 28460129

## DEVELOPMENT CENTERS

### INDIA

#### Chennai

SP Infocity  
Block A, 2nd Floor, #40,  
Dr. MGR Salai,  
Kandanchavadi,  
Perungudi,  
Chennai 600 096.  
  
Ph: +91 44 2454 3500  
Fax: +91 44 2454 3510

#### Noida

B 35 36, Sector 80,  
Phase II, Noida 201 305  
Ph: +91 120 42682  
31/33  
Fax: +91 120 2462 179

#### Bengaluru

Ascend-19, 2nd Floor,  
1st Cross,  
17th C Main, 5th Block,  
Koramangala,  
Bangalore 560 095  
Ph: +91 80 4098 9881

#### Pune

504, Accord IT Park,  
Baner Road,  
Pune 411045  
Maharashtra, India

### UK

#### Manchester

Applicon House,  
Exchange Street,  
Stockport, United  
Kingdom, SK3 0EY  
Ph: +44 161 241 4321  
Fax: +44 161 241 4250







Digitisation is disrupting the world.

What used to be cutting-edge a decade ago is now being replaced by machine learning, blockchain, robotics, artificial intelligence, IoT....

Saksoft focuses on these new-age technologies.

The Company is either growing these competencies from within or acquiring companies with complementary capabilities.

As the world seeks to reinvent towards technologies of the future, we believe that we possess the right strategy and the right capabilities to make a difference.

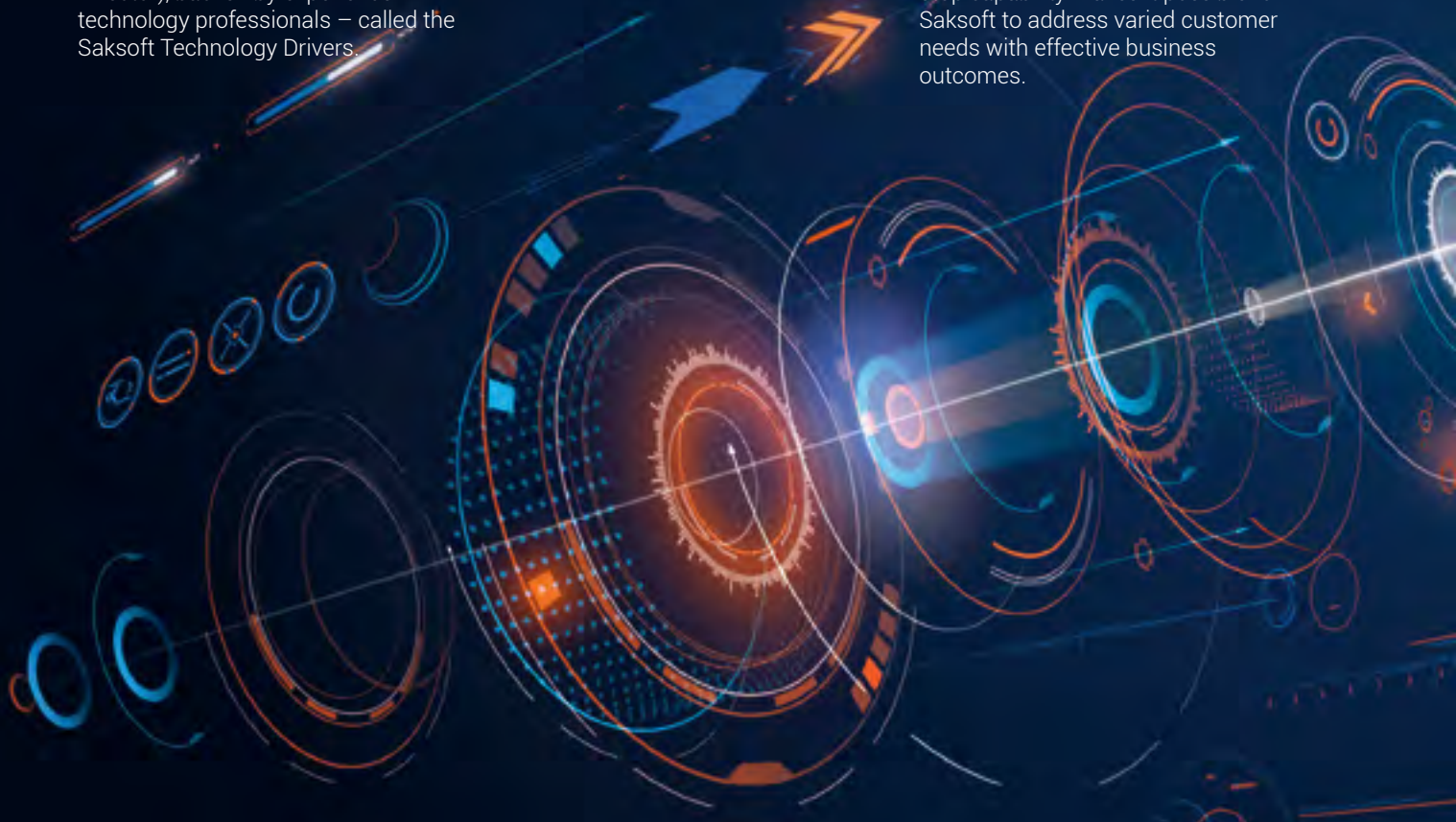
Our time starts now!

# About Saksoft Limited

Founded by the late Mr Autar Krishna, Saksoft Limited, the flagship company of the Saksoft Group, is among the leading mid-tier listed IT companies of India. The Company is headed by Mr. Aditya Krishna (Chairman & Managing Director), backed by experienced technology professionals – called the Saksoft Technology Drivers.

The Company is headquartered in Chennai (India) with 14 offices across India, the US, the UK and Singapore. The key markets – the US and Europe – accounted for 90% of the Company's revenues in 2017-18 and remain the Company's target market.

Saksoft is respected for niche and integrated solutions that comprise networks, data centres, Cloud platforms, security set-ups, information management platforms, testing and IoT systems, among others. This integrated one-stop capability makes it possible for Saksoft to address varied customer needs with effective business outcomes.



## Industry verticals



Fintech



Telecom



Transportation and  
logistics



Healthcare



E-commerce/retail



Saksoft enjoys a positive reputation across mid-sized global companies needing timely interventions in digitized technologies. The Company's positive recall has been inspired by successful cost-effective solutions and business outcome.

Saksoft's robust intellectual capital is derived from a 1,000+-strong workforce based out of India, the US, the UK and Singapore. The Company's business is relatively visa-neutral. The average employee age was 31 as on 31 March 2018.

Saksoft's customers are located across the world, comprising public and private sector corporations. The customers operate across a number of large and growing domains like Fintech, Telecom, Logistics, Retail/E-commerce, Health care and Public Sector.

## Values

At Saksoft, we believe in a culture of Innovation, Customer Focus, Openness, Respect and Enterprising (iCORE). This foundation is reflected in everything that we do.

### Innovation

We will be a best-in-class organization with creative solutions and cutting-edge ideas; adding value and delivering what we promise.

### Customer focus

We will build trust, confidence and loyalty with our customers, investors and partners.

### Respect

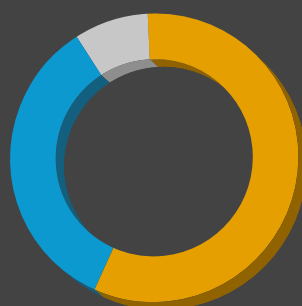
We will build strong relationships and treat each other well and achieve our objectives through mutual respect and sharing.

### Openness

We will be inquisitive and receptive to ideas, free from limitations and boundaries in our thinking, share knowledge and learn from each other.

### Enterprising

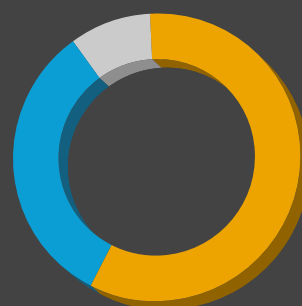
We will be creative, versatile, agile and responsible for our actions while maintaining a competitive edge.



### Geography-wise revenues breakup

Share of FY2016-17 revenues (%)

■ The US	57
■ The UK	34
■ Asia Pacific	9



### Geography-wise sales breakup

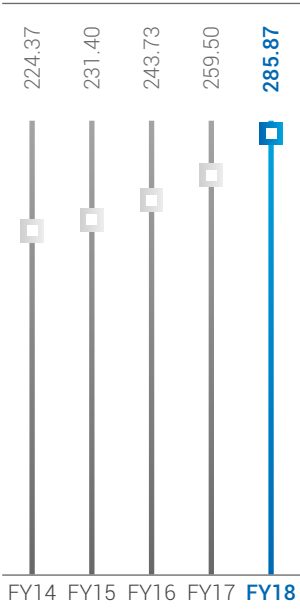
Share of FY2017-18 sales (%)

■ The US	58
■ The UK	32
■ Asia Pacific	10

# This is how Saksoft has emerged as a profitable and sustainable organisation

## Revenues

+26.37 (₹ crore)



### Why is this measured?

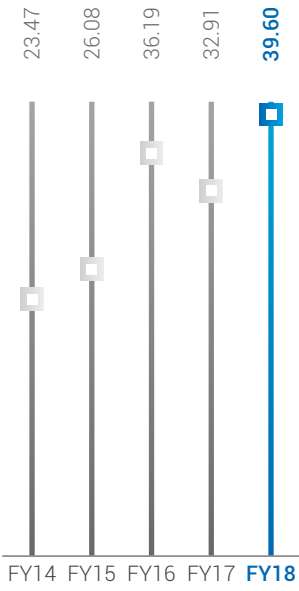
To assess the effectiveness of product mix, geographic presence, sales focus efficiency, execution and network strength, brand equity and market competitiveness.

### What does it reveal?

Saksoft registered a 10.16% increase in revenues on the back of a diversified product mix, a growing customer wallet share, strategic sectoral forays, robust client relationships and a strong partnership-led approach.

## Operating profit (EBITDA)

+6.69 (₹ crore)



### Why is this measured?

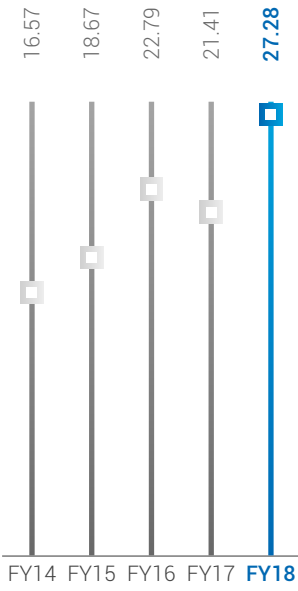
To evaluate overall business efficiency – an improvement in operating revenues indicates a sharper increase in revenues over costs.

### What does it reveal?

Saksoft has driven its operating profit through off-shoring or near-shoring so as to ensure billing in foreign currencies while expensing costs in rupees.

## Cash profit (PAT+Depreciation)

+5.87 (₹ crore)



### Why is this measured?

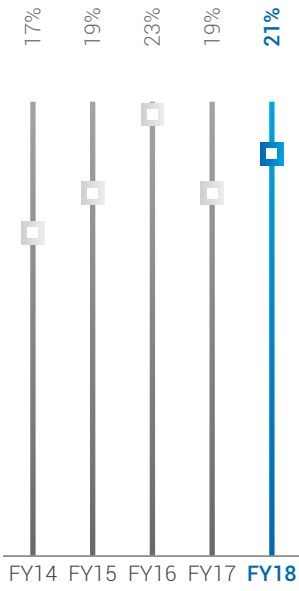
This helps one gauge an organisation's ability to grow its business, without risking its liquidity.

### What does it reveal?

Saksoft recorded an incremental cash profit of ₹5.87 crore. This indicates Saksoft's commitment to grow margins, make the most of its operating leverage, manage working capital efficiently and quicken debtor cycles.

## Return on capital employed

+105 bps



### Why is this measured?

RoCE is a fundamental financial metric indicating the health of a business. A steady improvement in a Company's RoCE validates its growing financial efficiency.

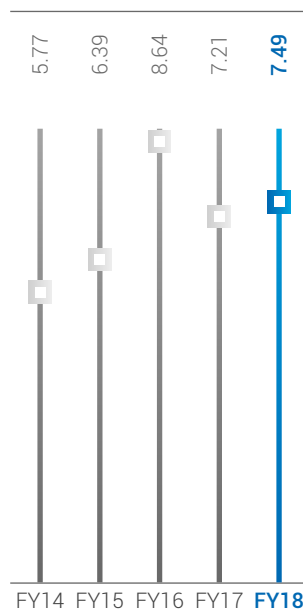
### What does it reveal?

The acquisition of a 60% stake in DreamOrbit and the deployment of a dedicated bidding team temporarily impacted Saksoft's RoCE during FY16-17. Saksoft has started leveraging these investments which is evident with the return in this fiscal year. These investments will result in increased ROCE in the coming years.



## Interest cover

+3.88%



### Why is this measured?

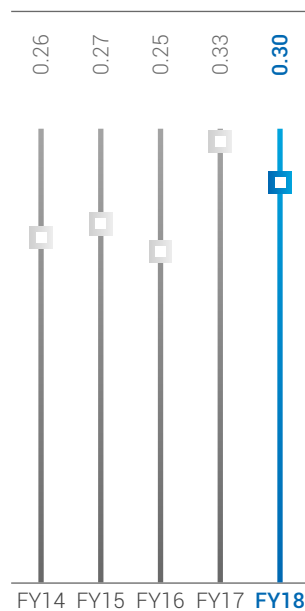
The interest coverage ratio is used to determine how comfortably a company can pay its interest liabilities on outstanding debt.

### What does it reveal?

A growing EBITDA and tightening interest outflow have enabled comfortable debt servicing, resulting in an optimized interest cover.

## Debt-equity ratio

+9.09%



### Why is this measured?

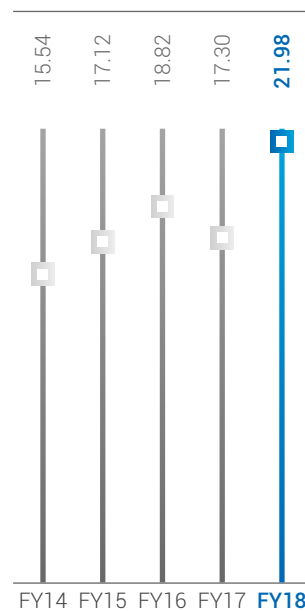
It indicates how much debt a company is using to finance its growth relative to the amount of value represented in shareholders' equity.

### What does it reveal?

Saksoft's focus on creating an asset-light, solutions-driven business model coupled with a pronounced reliance on accruals for funding growth has strengthened its gearing to 0.30 in 2017-18.

## Earnings per share

+27.05%



### Why is this measured?

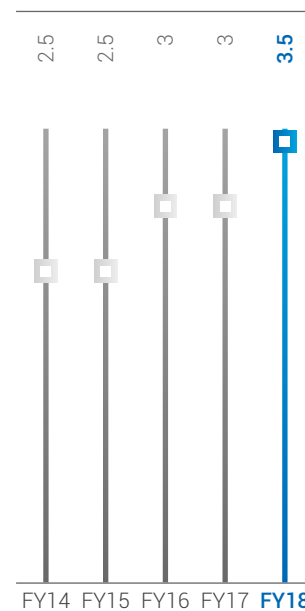
Earnings per share serve as an indicator of a company's profitability (in terms of a portion of profit allocated to each outstanding share).

### What does it reveal?

At Saksoft, our ability to reward shareholders has been reinforced, thanks to an undiluted equity base and a sustainable growth in net profits.

## Dividend per share

+0.50 (₹)



### Why is this measured?

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding.

### What does it reveal?

By banking on a solid value-creation platform, we have managed to disburse incremental dividends after putting aside adequate funds for plough-back.

## Summary report: Letter to shareholders

Dear shareholders,

This is a dramatic time for technology. Old paradigms are being challenged and new standards are emerging. In this rapidly changing scenario, it is now possible to ask questions of a smartphone that generates voice-activated answers: 'hire' the services of a robotic home-cleaner or even market products through social media at virtually no cost. One can get real-time information on freight movements using a smartphone and we are better positioned to provide an enhanced customer experience by analyzing buying patterns. Additionally, SMEs are able to scale operations at a significantly lower cost through the Cloud.



ADITYA KRISHNA  
CHAIRMAN AND  
MANAGING  
DIRECTOR

What makes these realities exciting is that they are no longer limited to a few pockets; they are sweeping across our world.

As this revolution accelerates, they will transform the way we think, live, work and unwind.

This scenario poses an unprecedented threat to conventional thinking; on the other hand, this reality offers an unprecedented opportunity to the nimble.

For the latter, which includes technology companies like Saksoft, the time starts now.

### An unprecedented opportunity

The window would not be compelling if it were only about a shift from status quo.

This opportunity is about a unique convergence: the concurrent fusion of some of the most remarkable technologies compressed within a brief time-frame leading to dramatic change.

The size of the cake is staggering.

It would be fair to state that the opportunity for Saksoft on the technology front would be vast and boundary-less in the years ahead.

### Evolution in the customer environment

For companies like Saksoft, the attractiveness of the opportunity is



being derived from different ways in which customers are responding.

There is a greater customer willingness to work with specialists than generalists. There is a wider recognition that customers, who once played safe in their selection of IT vendors and worked only with the large and branded, are now willing to trust mission-critical assignments to the smaller and specialized.

There is a greater traction among large companies in seeking solution providers who can deliver a superior return on IT spending, a visible payback for technology expenditure.

There is a wider suite of digitalization solutions that need to be delivered today, comprising interventions in

the areas of social media, mobility, Internet of Things, Cloud, Artificial Intelligence, Robotic Test Automation and Blockchain.

Projects are becoming shorter due to fast-changing technologies and acceptability of the 'agile' methods of execution, warranting focused teams and disciplined project turnaround.

The complement of these realities is not only enhancing sectoral excitement; it is also creating one of the most challenging industry landscapes demanding unprecedented responsiveness.

### Inch wide, mile deep philosophy

At Saksoft, we believe that we are present at a sweet spot in being able to capitalize on this unprecedented sectoral phenomenon.

We are bringing to this sweeping opportunity a relevant business model.

At the heart of Saksoft lies an 'inch wide and mile deep' positioning. We possess a niche competence and within this niche we possess a capability that ranks among the best among companies of our size and relevant to the nature of customers we intend to address.

The buzzword within the IT sector is 'agile'; there is a premium on the need for an agile team, for an agile turnaround and for agile solutions development. By the nature of the description, the word 'agile' indicates

a service provider that is not large, sluggish or unwieldy; it indicates a company that is fleet-footed, nimble and responsive. This is precisely the kind of company that Saksoft is and expects to remain.

The extension of agility is flexibility. There is a greater need for companies to ramp up or down with speed in line with customer needs. There is a greater premium to be paid for technology solution providers who transform with speed to market changes. At Saksoft, we believe we are flexible to customer needs, which is one of our biggest calling cards.

A challenging business environment warrants holistic project quality – completed on schedule, delivered right first time, helping customers reduce costs and helping enhance customer delight. At Saksoft, we do not just deliver an enhanced return on IT spending; we help customers enhance an overall Return on Investment that is a measurable evidence of our solutions effectiveness.

And lastly, there is a greater need for technology partners to 'own' the business of their customers and assume a responsibility in enhancing competitiveness. This capability is derived through a combination of business processes and technology understanding. At Saksoft, we have developed a reputation for delivering beyond the promised, translating into customer delight, stickiness and onward business references.

The buzzword within the IT sector is 'agile'; there is a premium on the need for an agile team, for an agile turnaround, for agile solutions development.

- The global Digital Transformation market was estimated at US\$205.99 billion in 2017 and is estimated to grow to US\$493.39 billion by 2022. (Source: <https://www.marketsandmarkets.com/PressReleases/digital-transformation.asp>)
- Digital, which was originally described as SMAC (Social, Mobile, Analytics and Cloud), has come to include more technologies:

- Internet of Things
- Augmented Reality & Virtual Reality
- Unmanned Aerial Vehicles (aka Drones)
- Artificial Intelligence (incl. Machine Learning & Natural Language Processing)
- Robotic Process Automation
- Blockchain



The Company reported profitable growth – 10.16% increase in our revenues was corresponded by a 21.47% growth in post-tax profit.

## Performance review

At Saksoft, we were fairly mixed in our feelings about our performance in 2017-18.

The Company reported profitable growth – 10.16% increase in our revenues was corresponded by a 21.47% growth in post-tax profit. The positive break in our performance was reported in the third quarter of the financial year under review, when revenues grew 11.25% while our post-tax profit strengthened 32.09% over the immediate previous quarter.

## Looking ahead

At Saksoft, we believe that we are at the cusp of robust sustainable growth.

During the last few years, the Company strengthened its business model through complementary acquisitions.

Saksoft acquired 360Logica in 2014 and its testing services business performed commendably. Saksoft acquired Dream Orbit Softech, a Bengaluru-based IoT specializing company addressing the logistics domain, in December 2016. The Dream Orbit acquisition enhanced our competitive edge around service offerings, enhancing up-sell and cross-sell abilities in the logistics sector. The acquisitions delivered ₹44.40 crore in revenues in 2017-18.

I am pleased to report that the acquired companies were integrated into the Saksoft way of doing things and began to deliver in line with the overall projected value proposition.

Saksoft is attractively placed to capitalize on the prevailing opportunity for another good reason. The Company addresses customers with revenue sizes ranging between US\$200 million and US\$5 billion; companies below this revenue size do not generally possess adequate technology spending budgets; companies larger are typically

process-driven Tier1 and Tier 2 companies where the scope for an outperforming service provider like Saksoft is constrained.

We believe that companies that belong within this revenue range need solutions that extend beyond the structured defines of a contract; they need partners who are driven more by the passion to make a positive difference as opposed to companies that are inflexible to evolving realities; they need partners who are entrepreneurial enough to strengthen the business of their customers instead of merely ticking the boxes of deliverables; they need partners who will invest 100% attention and enhance delivered value.

At Saksoft, we are such a company. We are driven by the passion of making a difference, translating into repeat engagements by the same customers, capturing a growing share of their wallet, while widening this presence to new customers in existing domains and geographies.

At Saksoft, we believe that the building blocks of the next phase of our growth are in place.

We stand at the cusp of an inflection point that should translate into enhanced value for all stakeholders of our company.

Our time starts now!

Thank you for your continued support.

With my best wishes,

**Aditya Krishna**

*Chairman and Managing Director*





## A conversation with the Technology Drivers at Saksoft

### Saksoft has outlined two growth avenues.

The first will involve carving a niche in the industries that we are present in. For a company of our size, the 'inch wide and mile deep' positioning is the only way we can effectively compete with larger players. Besides, we would be moving into lateral spaces with an extensive knowledge of specialized technologies. We focus on the following industry spaces.



#### The first industry with potential is Fintech.

Saksoft engaged large customers on the Eastern US seaboard. One of our biggest customers includes the top 3 credit bureau in the US. We are respected for the development of a solution called 'Card-less ATM withdrawal', which allows someone to transfer a sum of money by generating a four-digit PIN and the other party to withdraw the same amount without using an ATM card.



#### The second industry with potential is Telecom.

One of our key customers in this space is based out of the Europe. Saksoft has been its largest independent vendor for ten years, strengthening their business and revenues.



#### The third of these industries is Transportation and Logistics.

Saksoft is a logistics industry specialist, having worked extensively with >35 premier American logistics companies across eight years and strengthening its multi-modal understanding of freight and fleet management. Logistics is emerging a fast-growing sector (20-22% per annum) and our specialisation holds attractive prospects.



#### The fourth industry that we are focusing on is Retail/E- commerce.

We leveraged our logistics competence to bag prestigious clients, including a large US outdoor equipment e-tailer engaged in the

sale of mountaineering and sports gear in addition to a high-fashion e-commerce player.



### The fifth sector of focus is Healthcare.

Saksoft acquired Faichi, a California-based start-up with deep expertise in healthcare technologies. We are working on a project called 'Create Aware', where we provide wearable devices in exchange for collecting health statistics that are transmitted to our servers that represents adequate round-the-clock data to medical practitioners and R&D labs in treating specific conditions or develop new therapies.

### The big picture for DreamOrbit.

Our recent acquisition Dream Orbit focuses on a product engineering company that develops software solutions. We act as the front-end to understand customer needs and our solutions extend across the value chain: from development and deployment to providing support and maintenance. The acquisition is helping us build IoT capabilities in the logistics sector and provide innovative solutions for customers.

### This brings us to the remaining part of our two-pronged growth plan.

We are strengthening our skills in nascent but rapidly growing spaces, using the .NET framework and Java programming language to develop cutting-edge human-centric solutions that are platform and device-agnostic (laptop, desktop, tablet or Android, iOS or Windows) and can be deployed using Cloud. These solutions are easy-to-use, practical and flexible. Our key technologies comprise:



**IoT:** The network of physical devices, vehicles, home appliances and other items are embedded with electronics, software, sensors, actuators and connectivity, which enables the exchange of data. Each product is uniquely identifiable through its embedded computing system but is inter-operate within the existing internet infrastructure.

**Cloud:** We work with Amazon Web Services and MS Azure and leading Cloud providers to develop and deploy Cloud-based software that is flexible and secure. The solutions consume less space and bandwidth coupled with high data integrity. They are scalable; we can keep adding server space in line with ongoing growth without upfront investments.

**AI and machine learning:** We create chatbots for customers, which are AI-enabled and communicate

through machine language. We help e-tailers track each factor, gathering meteorological data from Google Earth, making schedule adjustments to provide for weather changes and communicating probable delays to customers. Similarly, we take into account multiple factors, write algorithms that leverage machine learning and allow the system to progressively become more 'intelligent'.

**Robotic process automation:** A visit to a travel aggregator site provides hotel rates, ticket prices and room availability, among others, gathered from multiple websites. This robotic process automation allows data collection from different websites and corresponding presentation with the click of a mouse. Saksoft does something similar in the logistics space: the customer enquires what it will cost to ship products from



place A to B coupled with the transit time; our robot accesses multiple trucking websites to derive rates and transit tenures for presentation to the customer.

**Blockchain:** This revolutionary concept is essentially a ledger on which one may participate to write but not edit. This enables individuals to create records that cannot be tampered. Saksoft leverages Blockchain technology to promote clarity along the order-to-delivery process for the Logistics industry. From the time a product is ordered online to the time it is delivered, every stage of this process is tracked to ensure that the product gets delivered on time.

Tracking translates into knowing when the shipment has left the warehouse, when it reaches the hub, when it

arrives at a city mentioned by a user, and when the shipment goes out for delivery. At any point along this order-to-delivery chain, inaccurate information can put a damper on delivery schedules, resulting in delivery schedules being missed or going haywire. Blockchain helps address this pain point, where information pertaining to every phase of this order-to-delivery process can be recorded to protect transaction integrity. To innovate and advance benefits out of this emerging technology, we are aligned with Blockchain in Transport Alliance through Dream Orbit.

Through these resident capabilities, we expect to build a stronger Saksoft across the foreseeable future.

## The DreamOrbit journey

Saksoft acquired DreamOrbit in December 2016. DreamOrbit was included in the Deloitte Technology Fast 50 list since 2014. The acquired company had grown to a critical mass (~US\$5 million) within a few years and needed to double its growth rate. Saksoft provided the acquired company with management bandwidth, larger on-field sales force and financial support. Saksoft quadrupled the dedicated US sales team for DreamOrbit, winning new accounts; its sales teams in London and Singapore helped DreamOrbit bag accounts in these uncharted territories.

### DreamOrbit evolution

#### Pre-acquisition

##### Revenue

₹35.54 crore

##### EBIDTA

₹6.38 crore

#### Post-acquisition

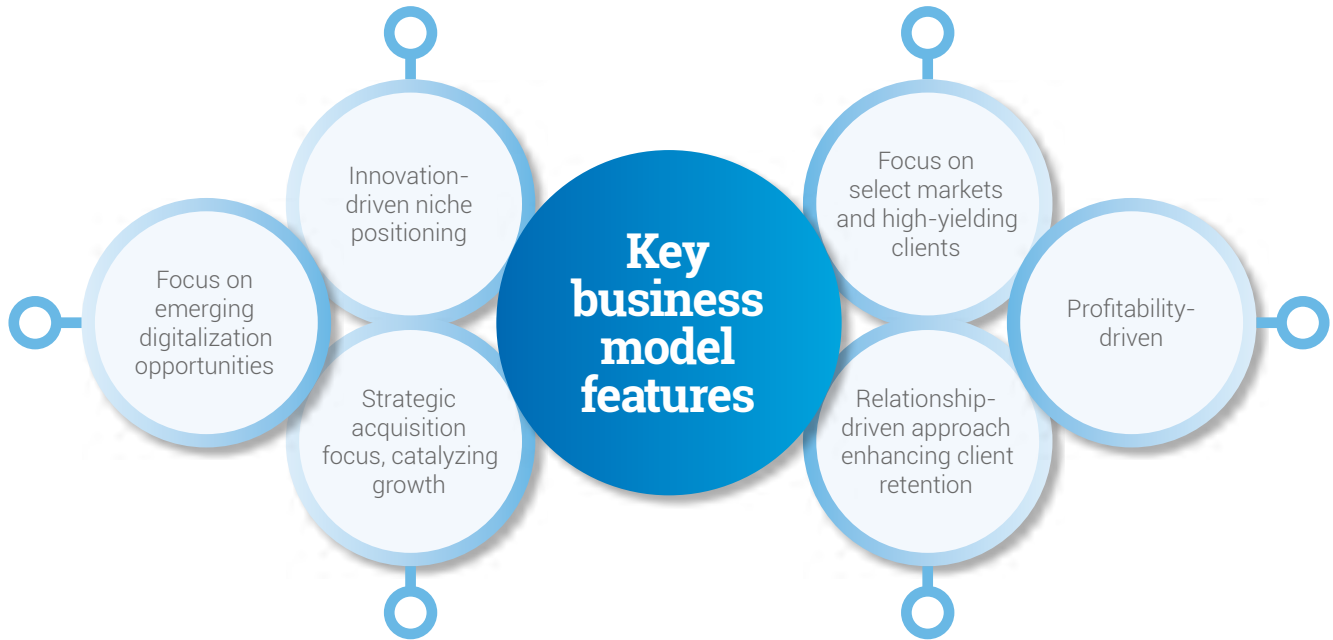
##### Revenue

₹44.40 crore

##### EBIDTA

₹8.78 crore

## Doing business the Saksoft way



### Relevant

At Saksoft, we are engaged in providing cutting-edge solutions that help our clients adapt to a digital world. Our products and services are integrated into their architecture, enhancing efficiency. The Company is capitalizing on transitions that drive opportunities like IoT. The DreamOrbit acquisition has enhanced our IoT capability in the logistics/ transportation domains.



### Relationship-driven

The Company focuses on long-term client relationships through business-strengthening project delivery. More than 90% of the Company's revenues in 2017-18 were derived from repeat business.



### Focus

The Company built strengths in verticals with growing relevance (Fintech, Telecommunication, Transportation, Logistics, E-commerce/Retail and Healthcare).





## Well-governed

The Company strengthened its governance through a professional and credible Board (three Independent Directors) marked by achievements and standing.



## Portfolio

The Company possesses a comprehensive product/solutions suite addressing information management, business transformation, testing, application development and IoT capabilities.



## Long-term

The Company's deep domain competence translated into multi-year engagements with customers.



## Acquisitions

The Company acquired companies with complementary expertise, helping scale capabilities faster, widening the competence portfolio and strengthening the corporate brand.



## Multi-location

The Company addressed customers in the US, Europe and the APAC to de-risk from an excessive dependence on any single geography.



## Human capital

The Company comprised more than 1000+ members as on 31 March 2018, helping deliver a seamless 24x7 service across locations.

# Saksoft continued its 'string of pearls' strategy to secure growth in uncharted categories; it created a US healthcare services presence through the acquisition of Faichi Solutions LLC

## Overview

Faichi Solutions LLC, a Healthcare-focused start-up providing outsourced product engineering, open source development and Drupal development consulting services, was founded in 2011 in Sunnyvale, California. Effective January 2018, Faichi Solutions LLC became a subsidiary of Saksoft.



## About Faichi Solutions LLC

Within a few years of commencing operations, Faichi Solutions specialized in the development and integration of enterprise products and web applications.

The Company's competence is reflected in that it released 40 products and 70 web cum mobile apps in collaboration with customers. Its primary competence in healthcare technologies encompasses the value chain - from service providers to life science organisations. Its accelerator and healthcare solutions empower customers in expediting innovative product development.

Faichi offers a wide array of healthcare technology services including product development, integration, meaningful use compliance, BI/analytics, chronic care management and consumer health.

### Case study#1

Faichi Solutions empowered an innovative health management services provider to commission a proto-typical machine-learning infrastructure to generate predictive and prescriptive real-time analytics. This helped the Company integrate individual patients with the full-fledged platform. A large representative database comprising >39 million patient records and 10+ years of hospital data were used to standardize models for these population groups. The sample data used for predictions underwent comprehensive scrutiny before being used as predictive tools. Various imputation techniques were

used to replace missing data with substitute values; class balancing techniques (over-and under-sampling) helped address challenges arising from skewed data sets.

### Case study#2

Faichi partnered a client to address the demanding need of mental health professionals to treat and counsel patients. Faichi developed a collaborative platform that served the needs of psychiatrists, therapists and social workers. This helped extend mental healthcare services through videos accessible through the smartphone and web.

## The acquisition rationale

Healthcare is a significant industry in the US and the country's per capita healthcare spending of around US\$10,724 is the highest in the world. The sector is emerging as an increasingly attractive space from the perspective of technological services and product engineering. Saksoft's acquisition of Faichi will widen its US footprint, leveraging the acquired company's deep understanding of the American healthcare ecosystem (patients, service providers and hospitals).

## Saksoft and its recent acquisitions

Acquired companies	Acquisition rationale
<b>Three Sixty Logica</b> Year: 2014	Specialized independent testing company with a focus on the US Geography. Services include penetration, automation, regression, performance, functional testing. Possesses ready-made frameworks and accelerators for target industry verticals with in-house state-of-the-art mobile device lab.
<b>DreamOrbit</b> Year: 2016	Specialized in IoT, adding enhanced capability in the application development space. Strong presence in the Transportation and Logistics industry, adding a new vertical to the group. Target market continues to be the US.
<b>Faichi Solutions</b> Year: 2018	A healthcare solutions provider in the US. The healthcare sector is fast growing with technologies getting more advanced when coupled with Analytics. The Company has ready-made frameworks and accelerators for the healthcare industry.

## Saksoft is leveraging cutting-edge technologies and providing unmatched solutions for clients



### Case study 1

#### Creating cardless cash network for a leading fintech client

##### Client

First independent cardless cash network in the USA

##### Business challenges

- Creating a largest cardless cash ecosystem for P2P transfers, promotions and lending
- Challenges in sending cash to friends and relatives who may or may not be banked
- Lack of intuitive UI, which complements the back-end system

##### Saksoft's business solution

- Front-end service provider (FESP) system was designed using Angular JS, MVC, Bootstrap, HTML5, and JQuery and deployed on the IIS Server
- Angular JS was used to develop an interactive, high-speed performance client side component using REST-based asynchronous communication with server-side REST API application
- Bootstrap and HTML5 used for creating HTML and reporting templates with the option to export

the report into MS Excel or PDF format

- All services secured with OAuth implementation. Authorization layer secured through common API authorization mechanism with a single endpoint

##### Business benefits

- Simpler and convenient ways to remit cash with enhanced security
- Provide cash in the event of an emergency
- Easy transfer of corporate rebates and lending



## Case study 2

### IoT-based comprehensive fleet management software

#### Client

A fleet management company based in Arizona, USA

#### Business challenges

- Lack of business insights and vehicle information
- Inadequate software to manage the fleet

#### Saksoft's business solution

- DreamOrbit (Saksoft company) designed a fleet management software to cater to the customer's needs

- Features like unit information, vehicle tracking and maintenance were built. Server-based event processing engine was built to capture GPS as well as other vehicle parameters like speed, engine on-off etc.
- System was optimized to enhance performance and scalability
- Microsoft BI based solution was provided for dashboard and reporting needs.

#### Business benefits

- Increased visibility due to real-time data available from sensors
- Complete vehicle insights and better administrative control
- Improved customer service
- Increased driver efficiency

## Case study 3

### RPA solution for a leading logistic vendor

#### Client

Leading provider of global logistics solutions

#### Business challenges

- Need to simultaneously track thousands of shipments (truck-based and ocean liners)
- Manual tracking of shipments for ocean liners proved time-consuming

#### Saksoft's business solution

- Designed the solution to capture Tracking Number/BOL Number, Carrier SCAC Code from a list of containers/ shipment with other container-related information

#### Automated the following functions

- Extract containers file data from FTP server and stored them into the database
- Data scrapping using the configuration set and store the tracking information into the database
- Periodically prepared the file with all tracking information for containers, placed on the FTP server in a data lake-compatible format
- Provided a single view of shipment status

#### Business benefits

- Fully automated the shipment tracking
- Minimized manual data entry and associated labour costs
- Provided easy access for customers, improving customer satisfaction
- Improved the accuracy of orders and trouble reports

# This is our focused strategy for growth

In the age of digital disruption, technology service and solution providers like ours face an increasing pressure to provide customized best-in-class solutions and improved time-to-market.

Saksoft is accelerating the deployment of artificial intelligence and IoT solutions to deliver deep, analytics-driven insights that help clients transform their operational and business models.

## This is how we are leveraging our focused strategy for growth



1

**By concentrating on emerging sectors:** We are addressing the sweep of digitisation to help clients enhance operational efficiency.

2

**By going inch-wide and mile-deep:** We are addressing our target markets with services that differentiate us from competition, emerging as one of the fastest-growing and most profitable across our verticals.

3

**By believing that small is better:** We are a mid-tier company with few decision-making layers, enhancing our agility.

4

**By betting big on the 'string of pearls' strategy:** We engage in business-complementing M&As that constitute a 'string of pearls' strategy that enhances our competence immediately following acquisition without corresponding gestation.

5

**By building a strong team:** We are building high-performance teams focused on sustainable growth.

6

**By consolidating the front-end:** We are consolidating our marketing front-end to reach more clients, accounts, trades and systems with the objective to squeeze growth from our platforms at minimal costs.

7

**By putting value over volume:** We extend beyond boundaries to address unoccupied territories represented by projects with higher profitability.

## These are the outcomes of our focused strategy

- Enduring growth
- Consistent value creation for stakeholders
- Steady graduation from a vendor to a partner
- Increased team productivity

### By concentrating on emerging sectors

Globally, the IT sector is going through disruptive transformation thanks to the combined impact of digitisation, social media, mobile internet, Cloud computing and IoT. Saksoft is focusing on these technologies to provide superior customer services. For instance, as e-commerce players gain momentum, a larger number of products are moved across the world. Saksoft provides these players with access to real-time information pertaining to in-transit shipments. Saksoft is leveraging its superior business intelligence and analytic capabilities to help healthcare clients gain incisive insights into their businesses and customer behaviour. The efficacy of this approach is validated by the fact that we derived considerable revenues from products and services launched in the last three years.

### By going inch-wide and a mile-deep

At Saksoft, we believe that specialisation is the need of the hour. We are happy to work in the mid-tier segment, bringing to this space deep technological competence. We made acquisitions in business segments where we did not possess experience or competence. Following the acquisition, we are in a position to deliver superior customer value. Our specialized services help us analyse problems deeper and deliver customer solutions marked by higher investment returns. >85% of our employees are based in India, enhancing value for customers located in the US, Europe and APAC, among others. We generated 90% of our revenues from repeat customers in 2017-18.

### By believing that small is better

At Saksoft, our targeted customers are generally sized between US\$200 million and US\$5 billion and respected for providing personalized services.

For Tier-I Indian software service companies, these relatively mid-sized customers are just another client, which is not the case at Saksoft. Owing to our size and fewer organizational layers, Saksoft arrives at decisions faster. With the top management of Saksoft being accessible to all major customers, we are not just competing with similarly-sized companies but also are punching above our weight in competing head-to-head with Indian Tier-I companies. Consider this: our second-largest client, a renowned telecom player, had eight IT companies enlisted as vendors. However, when the time came to rationalize, the customer selected to sever ties with six, selecting to work with Saksoft and one more vendor. We believe that this is a sign of the times.

### Betting big on the 'string of pearls' strategy

Saksoft was one of the earliest proponents of the theory that suggested that it made business sense to acquire companies that would enable it to plug skill gaps. During the past four years, the Company acquired three companies, making it possible to enter growth segments like business transformation, testing and IoT (logistics and healthcare), among others. These acquired companies focus on superior delivery experience while we (core Saksoft) create markets, kick-starting a virtuous cycle. We focused on acquisitions in the size of US\$5 to US\$10 million, operating in a domain in which Saksoft does not enjoy a presence, targeting mid-sized customers (US\$200 million to US\$5 billion) and UK or US-focused geographies. In 2018, Saksoft acquired Faichi, a California-based healthcare delivery service provider in the US.

### By putting value over volume

At Saksoft, we are gradually shifting

250bps

Increase in operating margins during the past three years

### By consolidating the front-end

In the business of IT services, it is critical for companies to develop strong front-end marketing teams to generate sustainable revenues. To complement our delivery competence, we strengthened our marketing team and the result can be assessed by our performance, reflected in superior margins.

towards value-added services and projects. Besides, we have categorically shifted from low-yielding clients to high-yielding clients. This rationalisation has helped us enhance management productivity, create a more customer-focused approach, enhance revenue per employee and strengthen profitability. By shifting from lower-tier clients, the Company has managed to address emerging trends and build a strong topline.

### By building a strong team

A motivated team is a key success determinant. At Saksoft, we expended considerable resources in building a team that combines experience and enthusiasm. We recruited seasoned and up-and-coming professionals to prospect global opportunities. The Company provided engineers in the development team with best-in-class facilities to keep them motivated. We integrated acquired companies and employees with the Saksoft way of doing business, enhancing cohesion.

# Fintech



"Fintech firms are finding success with a customer-centric focus that fills gaps left by traditional firms. These gaps opened the doors to fintechs, but trust in traditional firms remains important to customers."

**Penry Price**

*Vice President, Global Marketing Solutions,  
LinkedIn*

## Overview

The conventionally respected financial services marketplace has transformed into a dynamic environment of bar-raising specialists. These new-age professionals are devoted to meeting and exceeding the expectations of consumers who have become accustomed to personalized services from industries such as retail, travel, and electronics. Financial services customers no longer rely on one or two firms. Instead, in the pursuit of an efficient, portable, and delightful customer journey, they pick and choose from among traditional and not-so-traditional institutions to best meet their dynamic needs.



## Importance

### Cyber and financial crime

Cyber and financial crime is an increasing concern for financial institutions. Preventing financial crime is evolving into one of the biggest challenges, the impact of which extends beyond monetary losses to brand, employee morale, business relations and regulatory censure. Regulators and law enforcement agencies are focused on ensuring that both their standards and also those of the financial institutions they regulate are set at the highest level. Today's fintech startups are taking on some of today's greatest security challenges.

### Omni-channel and customer experience

Omni-channel customer engagement combines orchestration and journey management to provide multi-channel contact center best practices for superior customer experience with compelling business outcomes. It is about a seamless and consistent interaction between customers and their financial institutions across multiple channels. Leading companies with multi-channel contact centers are moving to the omni-channel engagement solutions to enhance their competitive advantage.

### Digital payments

Fintech is altering the way consumer and wholesale payments are made in terms of when, where, how and who has facilitated them. Fintech startups are taking payments to the next level in terms of speed, convenience, efficiency and multichannel accessibility. They are driving client behaviour and fueling expectations for better, faster and more innovative solutions across the payments spectrum, making existing customer

relationships with banks more vulnerable.

### Machine learning and AI

AI is being used every day within payments, money management and for robo-advice, particularly in the area of intelligent digital assistants that handle regular customer service enquiries and tasks. Smart machines and technology can turn data into customer insights and enhance service provisions, bringing the digital experience closer to human interaction for consumers. Machine learning technology has advanced rapidly in the last ten years; there are now more flexible and cost-effective solutions that financial services companies can implement, even with their often legacy-burdened IT systems.

### Blockchain

Blockchain is a new technology that combines a number of mathematical, cryptographic and economic principles to maintain a database involving multiple participants without the need for any third-party validator or reconciliation. Blockchain is a single, shared, immutable write-only ledger of transactions that is updated when multiple, decentralized actors achieve a consensus on the validity of a participant's new entries. Blockchain possesses the potential to disrupt the banking industry through storing, lending, moving, trading, accounting, reconciling and guaranteeing money through its consensus ledger, cryptographic security and digital signature.

## Impact

### Win-win collaboration

Unburdened by legacy systems and old-school culture, fintechs have leveraged new technologies to

respond to customer needs. More than 90% of fintech firms indicate that agility and enhanced customer experience are key to competitiveness; 76% cited the ability to develop new products and improve existing products and services as critical to success. The challenge is to scale and create financially-viable business models. Traditional financial institutions are adopting many fintech customer service enhancements, while retaining strengths like risk management, infrastructure, regulatory expertise, customer trust, capital access and more. Traditional and fintech firms stand to gain from a symbiotic collaborative relationship.

### Redefining the customer journey

The financial services industry is being reshaped by expanding customer expectations for convenience and personalisation. Fintech firms are bridging the gap between what financial services firms offer and what customers want. Four key principles can be used as the foundation to build differentiated customer experiences: personalisation, speed of response, relevance and seamless delivery.

### Emerging technologies

Emerging technologies, heavily leveraged by fintech firms, have created a paradigm shift in customer experience that eliminates multiple pain points across the customer lifecycle. Infrastructure-based technology, through open application programming interfaces, is reshaping the future of the financial services industry, while the operational advancements offered by robotic process automation, chatbots and distributed ledger technology are enabling greater agility, efficiency and accuracy.

### Alignment with customer goals

Innovation with a customer focus is vital for growth. Customer focus indicates customer trust, simplified customer experience and alignment with customer goals. Bringing in the top talent with the relevant skills and creating the right culture, while also making strategic investments in agility, digital, and operational excellence, could maximize customer focus.

### Growth

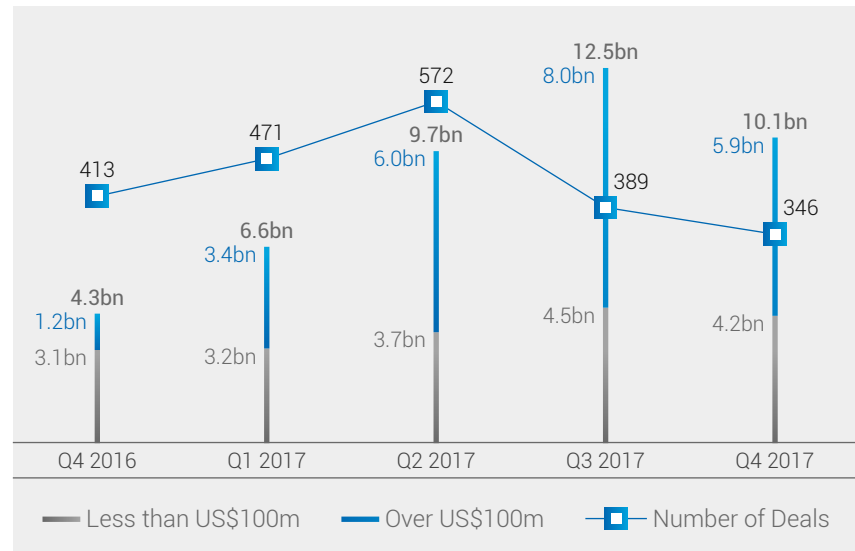
Global investment in fintech increased from US\$930 million in 2008 to more than US\$12 billion by early 2015. Funding of fintech startups increased at a CAGR of 41% over the last four years, with over US\$40 billion in cumulative investment.

### Outlook

Fintech is in its nascent stages. The industry is changing rapidly and business owners will need to stay informed as a part of their business plan. Businesses will be able to offer more services at lower costs, but only if they stay on the cutting-edge of what is available and possible. There is optimism related to fin tech activity on account of more M&A activity, reduction in tax rates and increased capital availability.

### Global Fintech investments, Q4 2016 – Q4 2017

(US\$, number of deals)



Source: Fintech Global



### Saksoft's perspective

Saksoft provides comprehensive integrated solutions to Fintech companies through custom application development and maintenance, artificial intelligence-driven decision making, data warehousing, business Intelligence, predictive analytics and Cloud migration. Our domain expertise, proprietary frameworks and delivery models empower customers with stable infrastructure, data analytics, insights and better customer engagement.

Business vertical

# IoT in Transport and logistics



"IoT is transforming everyday physical objects that surround us into an ecosystem of information. From refrigerators to parking spaces to houses, IoT is bringing more things into the digital fold, which could make IoT a multi-trillion dollar industry in the near future."

PricewaterhouseCoopers

## Overview

IoT enables companies to develop a holistic warehouse view – from ambient temperatures, inventory quantum, and equipment performance. From this data, companies can analyse performance and make modifications to improve safety, security and productivity.

IoT can potentially generate a 15% productivity increase in delivery and supply chain performance. A number of logistics experts are using these tools to improve systems and supply networks, reduce costs and increase revenues. IoT can have a broad impact on organisations, influencing strategy, risk management and technical areas (architecture and network design).

(Source: IDC, SAP, Gartner)

# Importance

## Security

Alarm sensors and CCTV utilize IoT to detect theft and protect assets. Users can lock doors using an app, receive alerts on unusual movements and use data to improve on areas of concern.

## Safety

IoT is a valuable asset in monitoring equipment safety and protecting staff. IoT helps predict equipment failure and reduce derailment.

## Tracking

RFID tags can connect to Cloud, share locational data and eliminate the need for staff to do anything other than load delivery. Some 96% retailers plan to adopt RFID technology; RFID tags within warehouses help track inventory and moderate other costs.

## Delivery

With GPS and location data from RFID tagging, a proactive fleet can utilize technology to stay informed and

avoid delays. As the increase in drop-shipping may lead to a consolidation of delivery carriers, standardized delivery experiences could emerge.

## Analytics

Big data can establish driver efficiency and seek preferred routes, helping optimize processes.

## Impact

### Transparency

Consumers value trust and reliability when making purchases. Information sent directly to a smartphone app can enhance customer confidence. Efficiency and ease

Aggregated data can make buying patterns and behavior easier to analyse. Automatically setting up repeat purchases if needed and mobile payments enhance shopping experience and customer satisfaction.

### Recognition and rewards

IoT can help track loyal customers, offer rewards to the best customers,

widen marketing opportunities and increase up-sell possibilities.

## Growth

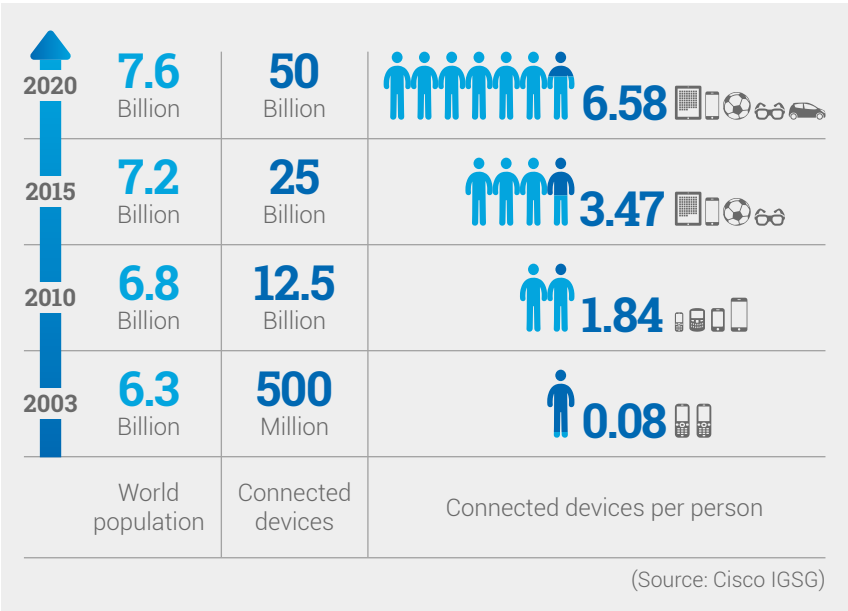
With over 24 billion devices expected to be installed by 2020, the IoT ecosystem could touch diverse industries, including transportation, insurance, utilities, telecom, healthcare, smart homes, oil & gas and more. Investments in these opportunities over the next five years are expected to generate US\$13 trillion in ROI by 2025.

(Source: Business Insider)

## Outlook

IoT sensors and devices are expected to exceed mobile phones as the largest category of connected devices in 2018, growing at a 23% CAGR from 2015 to 2021. There could be a total of ~28 billion connected devices worldwide by 2021, with nearly 16 billion connected to IoT.

(Source: Ericsson)



### Saksoft's perspective

Saksoft offers insights, guidance and solutions to address complex customer needs. The Saksoft DreamTMS framework serves as an accelerator, creating a faster solution using SMAC. Our intelligent AI-based scheduling solutions help organisations maximize the utility of assets (trucks, pilots, tugs and freight moving equipment) and provide near real-time visibility. Following the acquisition of DreamOrbit, Saksoft created a strong logistics presence.



Business vertical

# Healthcare



"Healthcare industries need to adapt to these changes to deliver the best health outcomes. The healthcare industry is ahead of many industries and has tested the capabilities of technology to improve services, knowledge, communication, outcomes, quality and efficiency."

**Prateek Ahuja**

*Independent healthcare consultant*

## Overview

Blockchain, predictive analytics and other latest technologies are leading the digital transformation in the healthcare sector. Digital health applications have gained traction and are going mainstream, creating a significant impact in terms of cost of operations, quality of care and accuracy of patient information. Besides, technologies like machine learning and artificial intelligence are altering the paradigm of medical treatment and research. Owing to reforms in healthcare regulations and the emergence of new technologies, the healthcare spending

of organisations engaged in market research, IT and advanced computing solutions has increased manifold.

## Importance

### The always-connected patient

Affordable technology, widespread Wi-Fi, social media and a greater acceptance of data sharing are changing how healthcare providers engage with consumers. Connected technology is also meeting the demands of consumers who expect more transparency and choice in their treatment and referral decisions. Emerging trends include the creation of digital apps that let consumers access their healthcare information, and online services and social networking platforms that let consumers see advice and information where, when and how they want it. Interconnectivity is being employed directly within healthcare organisations. Shared electronic health records (supported with mobile apps) are becoming the norm.

### Technology takes charge

Technology is directly assisting physicians in treating patients in real time. AI is becoming prevalent within medicine, from supporting clinical decisions to data mining, and detecting irregularities.

## Impact

### Blockchain game-changer

The advent of blockchain during 2017 made data sharing easy for healthcare providers. This technology could create a new level of integrity for healthcare information.

### Machine learning and predictive analytics

One of the biggest challenges faced by the healthcare industry is the need to transform raw data into insightful

information. Predictive analytics and machine learning will help healthcare organisations improve chronic disease management, patient care, supply chain efficiencies and hospital administration. Machine learning will be of help in processing and analysing real-time data faster, which, in turn, could deliver accurate results and enhance clinical trial efficiency.

### IoT will revolutionize the healthcare industry

87% of healthcare organisations are planning to implement IoT technology by 2019 to revolutionize the way patients are treated. IoT enables health practitioners to collect data from various IoT medical devices and gain valuable insights about patients' health. Moreover, wearable IoT devices are likely to dominate the healthcare industry in 2018.

(Source: Aruba Networks)

### AI in the forefront

Healthcare organisations would spend an average US\$54 million on AI projects by 2020. AI will bring advancements in healthcare treatments, improving diagnosis. Healthcare bots could help patients in real-time, answering their health-related questions and providing information on medications.

(Source: Medium)

### Cloud technologies to grow exponentially

In 2017, Cloud technologies gained access to health records in compliance with HIPPA, HL7 and ISO 27001 security standards. In 2018, Cloud infrastructure services are expected to improve. The mobile health market is predicted to be valued at ~US\$33.59 billion in 2018 following the advent of advanced technologies.

(Source: Ranosys)

## Dramatic rise in tele-health services

The market size for global telemedicine is expected to reach more than US\$40 billion by 2021. The number of tele-health patients worldwide are projected to reach 7 million in 2018.

(Source: Statista)

## Growth

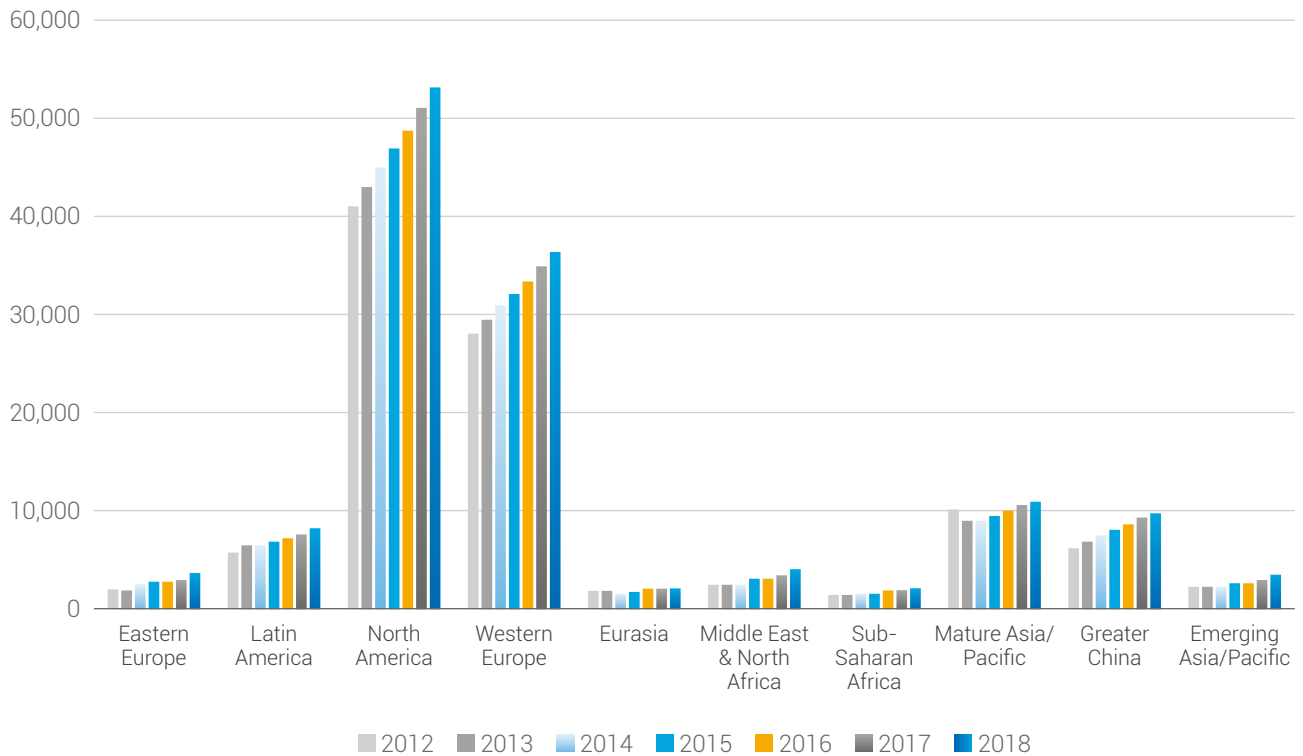
In 2017, digital health investments crossed the US\$6.5- billion-mark, going up by ~109% y-o-y. This is expected to gain steam over the medium-term. By 2020, the digital healthcare market is anticipated to have a value worth US\$206 billion, wherein wireless and mobile solutions would account for the major contribution.

(Source: Gartner)

## Outlook

There are unprecedented levels of information available to healthcare providers, which, coupled with the rise of open technology and data and greater collaboration with third parties, means that healthcare providers need to evolve their cyber security, identity and access management coupled with continuous authentication.

Total healthcare providers IT spending (US\$) by region, worldwide, 2012-2018



## Saksoft's perspective

Saksoft possesses an extensive experience in developing and maintaining Electronic Health Record (EHR), Patient Management System (PMS), and Revenue Cycle Management Services (RMS). Saksoft's framework and accelerators could improve the patient engagement experience. The intelligent automation and understanding of HIPAA, HITECH Act, MACRA helps maximize the customer's technology investments.

# Retail /E-commerce



"I can't overstate how mobile commerce is changing how we interact with our consumers; we have to embrace these changes."

Joel Anderson  
CEO, Wal-Mart

## Overview

The e-commerce sector is making large investments in AI and machine learning. AI-related investments grew an estimated ~300% in 2017, with the possibility that >80% of all customer interactions could be addressed by AI with corresponding gains of US\$1.2 trillion a year by 2020.

(Source: Forrester Research, Gartner)

## Importance

### B2B buyers getting younger

~50% of B2B buyers are millennials who seek ease-of-use on consumer websites, reflected in intuitive, self-service interfaces and round-the-clock e-commerce availability.

(Source: Google)



### Mobile e-commerce

As buyers get younger, they are becoming increasingly mobile. Some 42% of B2B customers use mobile devices during their purchase process: from researching products to comparing prices to features to contacting merchants to completing transactions.

(Source: Forbes)

### Personalisation

Buyers expect catalogs, pricing and product selection to be curated for their purchases and organized according to their specific needs. In 2018, around 40% of B2B commerce sites could use price optimisation algorithms to deliver dynamic pricing. In practical terms, this means sophisticated personalisation, taking into account parameters like purchasing volume, frequency and long-term relationship value.

(Source: Gartner)

### Multi-system integration is useful

To deliver efficient and customized service, merchants will increasingly

need to integrate e-commerce systems with other core platforms: from large back-end supply chain software to customer relationship management systems. For their own survival, companies and their executives could benefit from access to a unified global view of all channel-selling activities.

(Source: Forbes)

### Impact

#### Omni-channel

Globally, omni-channel is the new normal. Eight out of ten customers use smartphones while shopping. This is marked by a growing use of technology: from customer trackers to apps, from e-commerce platforms and solutions to digitized stores, helping merge e-commerce channels into one, improving inventory management, orders processing and the managing of data, prices and promotions.

#### Browser-less experience

E-commerce is no longer restricted to computers. Mobile apps, AR and other technologies are merging, where one

cannot define the shopper experience by its type.

### Growth

Retail e-commerce sales worldwide stood at US\$2,290 billion and are expected to rise 20% to US\$2,774 billion in 2018. By end-2017, >2 billion mobile phone or tablet users made some form of mobile commerce transaction. Mobile commerce hit the US\$700-billion-mark in revenues in 2017, clocking 300% growth in four years. The share of e-commerce in global retail sales increased from 8.6% in 2016 to 12.2% in 2017 and is expected to increase to 17.5% in 2018.

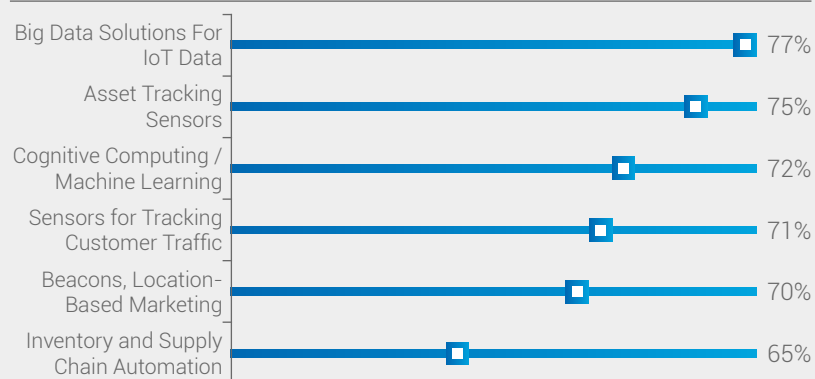
(Source: Statista)

### Outlook

Globally, e-commerce remains a popular choice for investments and new businesses. Growth will promote development of experiences and technology. Mobile transactions could account for 70% of the e-commerce traffic by end-2018.

(Source: Statista)

Percentage of Retailers planning to invest in AI and IoT technologies by 2021 (Global)



n= 1,700 Source: Zebra Technologies, 2017

### Saksoft's perspective

Saksoft's digital transformation solutions such as business intelligence, analytics, application development, mobile applications and Cloud help retailers coordinate in-store activities, facilitate employee communication and understand customer behaviour / buying patterns, among others.

# Telecommunications



"While the roll-out of 5G will be a multi-year journey, the foundations will begin in 2018. One of the most anticipated mobile technology platforms, 5G will be the connective tissue for the IoT, autonomous vehicles, and mobile media, just to name a few."

**Craig Wigginton**

*Global Telecommunications sector leader,  
Deloitte*

## Overview

As the telecommunications sector continues to build on the momentum of 2017, a new mobile era will emerge with the commercial roll-out of 5G - the connective tissue that blends nascent uses of mobile technology (IoT, autonomous vehicles, and mobile media). The number of applications that 5G supports could influence the mobile ecosystem with ~US\$150 billion in GDP growth and >370,000 new jobs.

(Source: Deloitte)

## Importance

### IoT enablement

VoLTE support in Cat-M1-capable IoT devices means that those IoT devices

will have the ability to make voice calls to other devices and applications. Adding voice capability presents new revenue opportunities for service providers.

(Source: Deloitte)

### High-speed network upgradation

Migration to smartphones that operate on high-speed mobile networks, coupled with increasing consumer propensity to engage in the digital world, is driving mobile data traffic up in all regions. According to Ericsson (in its Mobility Report November 2017), global mobile data traffic for all devices will increase eight-fold between 2017 and 2023, reaching 110 exabytes per month, driving data growth for the telcos.

## Transition to new technology

While 4G has been driving and enabling the transition from the connected consumer to the digital consumer, the mobile industry continues to make progress with 5G, with early commercial launches expected over the next three years in North America and in major markets across Asia and Europe.

(Source: GSMA Mobile Economy 2018)

## Impact

### Dominance of Over-the-Top players (OTT)

OTT services such as WhatsApp, Snapchat, Facebook Messenger and Skype are fast replacing traditional voice and SMS as the primary methods of communication. These services are underpinned by VoLTE and VoIP, both of which present opportunities for telecom players. Greater mobility and demand for roaming services could drive further roll-out of VoLTE services, with international traffic expected to grow by a CAGR of 99.3% to 133 billion minutes by end-2020.

### Cost-cutting

Cutting costs will remain crucial for many CSPs to accommodate financial losses from traditional voice. A number of potential strategies have been tested by telecom players to mitigate damage; from using wholesaler services and embracing the cloud, to simply buying up the competition.

### IoT

The growth of IoT could catalyse the need for business intelligence tools especially in industries like automotive, logistics and metering. As more devices are connected to the IoT, the

threat vector will widen, placing more devices at risk of hacking, and more users at risk of having their personal data accessed, or fraud. This will open the market for fraud prevention solutions.

### Business intelligence

Business intelligence solutions will provide operators with an insight into the use and effectiveness of services, allowing them to accurately target consumers, improve services, and ultimately, level the playing field with OTT players. End-to-end traffic monitoring and reporting, as well as data on roaming traffic performance, revenue and behaviour patterns could be used to improve and personalize services for the end-user. Big data analytics could streamline operations and boost customer satisfaction. Gaining insight into customer behaviour and device usage enables operators to build detailed customer profiles and create tailored services to address different customer segments.

### Upgradation

Carriers will need to update legacy IT systems as they expand into new areas.

### Growth

The number of mobile subscribers reached 5 billion in June 2017. As a result, ~66% of the global population now has access to a mobile service. In 2018, there could be an average 113 mobile subscriptions per 100 people in the world's 60 biggest markets. Much of this growth could be driven by an increasing uptake of mobile phones and smartphones in Asia, particularly India, and in the emerging markets of Sub-Saharan Africa, the fastest-growing region worldwide.

(Source: GSMA, Economist Intelligence Unit)

## Outlook

Revenue growth for carriers will be of critical importance in 2018. Revenue yield on data services (revenue per bit consumed) continues to decline as consumers use more data. It is becoming increasingly critical for carriers to identify business-strengthening investment opportunities (5G, IoT, and cross-industry partnerships). The telecommunications ecosystem expects IoT to emerge as a critical growth engine.

(Source: Deloitte)

### Saksoft's perspective

Saksoft's fresh approach has helped leading telco operators create a value chain for their customers, opening new avenues. The Company possesses a competence in digital platforms that combine connectivity, data, analysis, security, mobile and Cloud. Saksoft solutions enhance customer engagement, business simplification, deeper customer behavior insights, service use patterns and preferences in real-time.

# Public sector



"Many government CIOs are re-balancing capex and opex spending patterns to reduce technical debt, while making the strategic shift to Cloud. They should consider Cloud as the means to accelerate the digitisation of their organisations and enable the business optimisation."

**Rick Howard**  
*Vice President, Gartner*

## Overview

Cloud solutions, cyber security and analytics could be the leading technologies targeted for spending by public sector CIOs in 2018, while data center infrastructure would be the commonly targeted area for cost savings.

## Importance

### Artificial Intelligence

AI ranks among the top10 technology areas for the overall sample, but is not so for the government (ranked 19th). The exception is defense and intelligence, where a greater percentage of CIOs indicated AI (7%) over CIOs in other industries (6%).  
(Source: Gartner)

### Cloud services

Cloud services and infrastructure combined ranked in the top-10 by 30%

of government CIOs, compared with only 12% in all other industries.  
(Source: Gartner)

## IoT

IoT was a top-10 item for all industries, but not for the government (ranked 12th). The two exceptions were local government due to smart city projects, as well as defense and intelligence, which rely on data flowing from sensors that monitor a range of activity.  
(Source: Gartner)

## Impact

### Demand

The three industries that could invest most in security solutions in 2018 – banking, discrete manufacturing, and central government – could deliver more than US\$27 billion in



spending combined. Four other industries (process manufacturing, professional services, consumer, and telecommunications) could each see spending greater than US\$5 billion in 2018. The industries that could experience the fastest spending growth over the 2016-2021 forecast period could be telecommunications (13.1% CAGR), education and state/local government (each with an 11.6% CAGR), banking (11.4% CAGR) and resource industries (11.3% CAGR).

(Source: IDC)

### Emerging trends

Managed security services, which are single-tenant solutions operated by third-party providers and residing on the customers' premises, could emerge as the largest technology category in 2018 with firms spending nearly US\$18 billion for these services. In addition, managed security services could be the largest category of spending for each of the top-five industries this year. The second-largest technology category in 2018

could be network security hardware, followed by integration services and endpoint security software. The technology categories that could see the fastest spending growth over the forecast could be managed security services (14.7% CAGR), network security hardware (11.3% CAGR), security and vulnerability management software (10.9% CAGR), and network security software (10.7% CAGR).

(Source: IDC)

### Key geographies

The largest geographic market for security solutions could continue to be the United States with a total spending of nearly US\$38 billion in 2018. The second-largest geographic market could be the UK at US\$6.5 billion. The leading industries for security spending in the US could be discrete manufacturing and the central government. In the UK, banking and discrete manufacturing could deliver the largest security spending.

(Source: IDC)

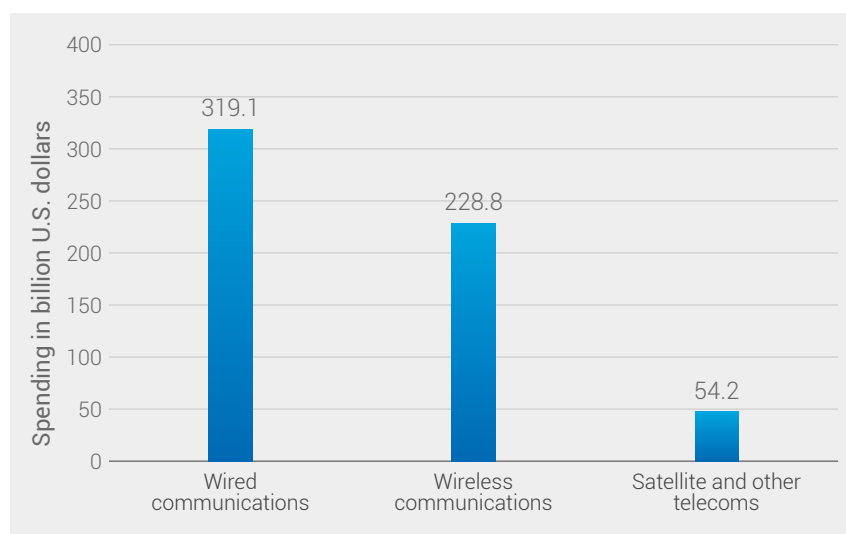
## Growth

Digital transformation is a top-ranked business priority among government CIOs, followed by security and governance. Some 16% of government CIOs plan to increase spending on business intelligence and analytics 16% and data management 6% in 2018.

## Outlook

Worldwide spending on security-related hardware, software and services is forecast to reach US\$91.4 billion in 2018, an increase of 10.2% over 2017. This growth is expected to continue for several years as industries invest heavily in security solutions to meet a range of threats and requirements. Worldwide spending on security solutions could achieve a CAGR of 10% over the 2016-2021 forecast period and total US\$120.7 billion in 2021.

(Source: IDC)

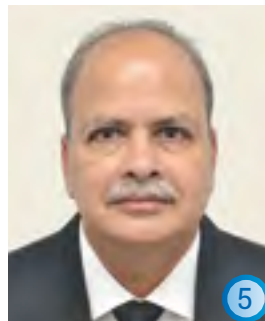
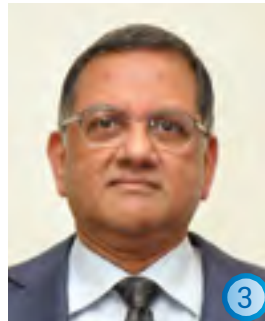


## Saksoft's perspective

Saksoft helps public sector organizations optimize their digital transformation investments through information management, optimized applications and analytics. The Company helps embed new technologies and solutions into conventional processes, saving money, increasing efficiency and helping these organisations serve citizens better.

## Board of Directors profile

At Saksoft, our executive leadership team brings a diverse set of experiences and expertise to accelerate our innovation and execution capabilities, drive operational rigor in all we do and inspire our employees to achieve workplace excellence.



### 1. Mr. Aditya Krishna

*Chairman & Managing Director*

Mr. Aditya Krishna, the Founder, Chairman and the Managing Director of the Saksoft Group, spearheads Saksoft's growth across domains and geographies. He brings with him over 30 years of experience in the banking and financial services industry. After a long career with Chase Manhattan Bank in New York and later with Citibank, New York, he relocated to India in 1990 as part of a four-member team to establish Citibank's credit card business in the country and was also instrumental in developing the in-house software to run credit card operations. Aditya founded Saksoft in 1999 and drives the business development efforts.

### 2. Mr. Amitava Mukherjee

*Independent Non-Executive Director*

Mr. Amitava Mukherjee has over 33 years of rich and varied experience in the corporate sector. Amit spent a large part of his investment banking career at Lazards, a global Wall Street Firm, where he was a managing director and member of the executive management board. He subsequently was with Ambit Corporate Finance, as a shareholder, managing director and a board member. During his investment banking days Amit has advised several MNCs and large Indian Houses in marquee M&A transactions, both domestic and cross border. Amit is widely traveled, both on work and leisure, and have participated in several global conferences including the World Economic Forum at Davos. Currently he spends his time with NGOs in the social space and mentors youngsters as they chart their working life.

Mr. Amitava Mukherjee is an Independent Director of our company and the Chairman of Stakeholder's relationship Committee and Nomination & Remuneration Committee. He is also a member of Audit Committee and Corporate Social responsibility (CSR) Committee of the Board.

### 3. Mr. Ajit Thomas

*Independent Non-Executive Director*

Mr. Ajit Thomas is the Chairman of A.V. Thomas Group of Companies, an Agri Business Enterprise founded in 1925, with interests in plantations, tea retail, spice processing, natural extracts, and leather goods. Mr. Thomas graduated with a Bachelor of Science

degree, from Loyola College, Chennai. Subsequently, he joined the family business and raised the Organization from a basic plantation company to a producer of high value, high quality agro products for the world markets. Mr. Thomas has served on the Madras Chamber of Commerce, Spice Board of India, and was the President of the United Plantations Association of South India in its Centennial year.

Mr. Ajit Thomas is an independent Director and the Chairman of Audit Committee. He is also a Member of Stakeholders' relationship Committee and Nomination & Remuneration Committee of the Board.

#### **4. Ms. Kanika Krishna**

*Non-Executive Director*

Ms. Kanika Krishna has an MBA in Financial Management from Pace University, New York, USA. Prior to this she has completed the Master's program in International Business from the Manchester Business School, UK. She is also an alumnus of Stella Maris College, Chennai where she completed her Bachelor of commerce degree. Kanika Krishna joined Sak Abrasives Limited in 2012 and is responsible for the Company's growth in new markets and new areas. In the short time that she has been with the Company, Kanika has grown the export business multi fold with focus on the UK and US markets. She has appointed manufacturer representatives and distributors in these markets to sell the Company's products and established a fully stocked warehouse for the Company's products in New Jersey, USA. Under her initiative and guidance the Company has

developed and established a new range of rice-polishing wheels for the agriculture segment – a new area for the Company. Kanika has revamped the sales organization by inducting lateral senior talent and investing in sales and product training for the team. She has implemented suitable reward programs and provided the necessary sales tools to the team to ensure success in growing the Company's business. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.

Ms. Kanika is a non-executive Director and a member of Stakeholders' relationship Committee and Corporate Social Relationship (CSR) Committee of the Board.

#### **5. Mr. VVR Babu**

*Independent Non-Executive Director*

Mr. Babu has Master of Science (M.Sc. Tech), Applied Mathematics and

Operations Research from National Institute of Technology Warangal, Master of Philosophy (M. Phil.), Computer Science from Central University of Hyderabad, Executive Development Program, Business Administration and Management from Harvard Business School. Mr. Babu has over 36 years of experience in the ITC Group. He held several strategic positions and was one of the key founder members of ITC Infotech India Limited (a 100% subsidiary of ITC Limited). In the last 15 years he held the positions of Senior Vice President and member of Management Committee of ITC Infotech and Chief Information Officer (CIO) of the ITC Group. Mr. Babu has

also held several leadership positions in the IT Organization including Divisional CIO of the FMCG and Agri Based divisions respectively. Mr. Babu is an active spokesman in various industry forum championing the cause of Information Technology as a strategic tool for superior value creation, besides influencing the policy makers with thoughts, suggestions and actions that can help and further growth of IT Industry in the country. He had the privilege of being part of a select Industry team that interacted with the Government of West Bengal during the creation of the Information Technology Policy of the state in 2000 and enhanced and modified IT/ITeS Policy of 2003.

Mr. Babu is an Independent Director and a Member of Audit Committee of the Board.

# Report of the Board of Directors

*Dear members*

Your Directors have immense pleasure in presenting the Nineteenth (19th) Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2018.

## 1. Financial Summary

The Audited Standalone and Consolidated financial results summary for the financial year ended 31st March, 2018 and 31st March, 2017 are as follows:

	Standalone Results (Rs. in mn)		Consolidated Results (Rs. in mn)	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Total Revenue	576.66	506.76	2858.70	2595.03
Other Income	70.77	26.50	23.07	19.30
Total Income	647.43	533.26	2881.77	2614.33
Operating expenses	475.05	400.64	2462.73	2265.91
Operating Profits	172.38	132.62	419.042	348.42
Depreciation	7.45	7.67	28.71	13.14
Interest and Finance Charges	44.98	38.06	52.14	46.51
Net Profit before Tax	119.95	86.89	338.19	288.77
Current Tax	26.70	24.31	102.02	82.94
Deferred Tax	2.17	1.28	(7.92)	4.89
Net Profit after Tax	91.08	61.30	244.09	200.94
Profit brought forward	461.48	431.53	1038.29	977.04
Available for Appropriation	565.62	507.93	1220.87	1087.22

The Company has adopted Ind AS wef 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, results for the financial year ended 31st March, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures have been restated as per Ind AS to make them comparable

- Profit after tax was Rs.91.08 mn during the year 2017-18 as compared to Rs.61.30 mn during 2016-17, resulting a increase of 48.58%.
- Basic Earnings Per Share was Rs.8.70 for the financial year 2017-18 as compared to Earnings Per Share of Rs.6.20 for the financial year 2016-17.
- Operating and other expenses during the year were at Rs.475.05 mn as compared to Rs.400.64 mn in the previous year.

## 2. Results of operation

### Standalone Accounts

- Total income for the year 2017-18 was Rs.647.43mn as against Rs. 533.26 mn during the year 2016-17, registering a increase of 21.41%.

### Consolidated Accounts

- Consolidated total income for the year 2017-18 was Rs.2881.77 mn as against Rs. 2614.33mn during the year 2016-17, registering a growth of 10.23%



- Profit after taxes was Rs. 244.09 mn during the year 2017-18 as compared to Rs. 200.94 mn during 2016-17, an increase of 21.47%

Basic Earnings Per Share was Rs. 21.98 for the financial year 2017-18 as compared to earnings per share of Rs. 17.30 for the financial year 2016-17.

### 3. Business operations

Digitization continues to disrupt lives and is reshaping the world order. The human society is treading new paths in the digital world and this has opened up infinite opportunities to be tapped. With an overhaul of technologies and path-breaking research explorations, the technology space is screaming out loud to announce a sweeping change is on the way that will impact all aspects of human lives and the way the world connects and functions. Enterprises are focusing on innovations and aiming to transform customer experience across verticals. The advent of impact technologies like AI, Machine Learning, Blockchain, Robotics, IoT, Cloud have unearthed value chains and making it a reality. The industry is primed to outthink peers and race ahead to predict the future technologies. Saksoft believes in being a specialist and niche provider of digital solutions. With focus on new technology areas and skills accretion, the company is looking up to complement the digital experiences through quality service renditions. Saksoft has recently acquired California based startup Faichi Solutions which provides IT Services in the Healthcare space. The acquisition allows the company to make inroads into the Healthcare vertical and continue to expand its outreach. Saksoft is a respected value partner in the business intelligence domain and provides wholistic customer experience through an integrated solutions and services model. The company offers capabilities around Information management, Application services, Testing, IoT and Cloud. Saksoft aims to help organisations realize their digital vision and harness enhanced decision making with strategic information management consulting and solutions.

#### Information Value Management

Saksoft is a trusted value provider in the Business Intelligence space. The group provides strategic solution development, business consulting and technology services to successfully align any enterprise's Information Management objectives. We consult, design, implement, train and support on all major IM platforms such as SAP Business Objects, Cognos, Datastage, Hyperion, Microsoft,

SAS and Informatica. Saksoft helps organisations to mine and structure information that provide valuable insights for data driven decision-making.

#### Application Services

Saksoft continues to leverage on its expertise and stronghold in providing customized application development. The company's domain experts and technical workforce together possess deep understanding of business models and assist enterprises to build applications and achieve greater levels of customisations that results in ease of operations and efficient management. The company caters to a wide range of industry verticals and is a logistics industry specialist. Through DreamOrbit, it offers IoT capabilities to structure innovative solutions to address painpoints and achieve significant business outcomes.

#### Independent testing

Threesixty Logica (testing arm of Saksoft) is a specialist contributor in independent software testing and assurance services. With an in-house testing pad and expertise in wide range of manual, automation and penetration testing services, Saksoft is positioned to structure standalone and combined offerings to customers to optimize cost, increase dependability, mitigate security risks, and enhance performance and scalability.

#### Cloud Services

Organisations are increasingly looking to optimize their infrastructure load and management. Enterprises need a robust and scalable architecture to meet their growing information storage demands. Together with our partner, we are consulting, deploying and migrating infrastructure on Cloud. We provide more agile and flexible IT infrastructure ensuring that the data is always available and more secured. We assist enterprises to de-link and manage their infrastructure needs and spend to enable focus on key business goals.

### 4. Dividend

Based on Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of Rs. 3.50 /- per share (35 % on the face value of Rs. 10/-) for the financial year 2017-18. The final dividend on the equity shares, if declared, as above, would involve an outflow of Rs. 36.66mn towards dividend plus applicable dividend distribution tax.

## 5. Share Capital

The paid up Equity Capital as on March 31, 2018 was Rs. 104,750,000/-. During the year under review, the Board of Directors have allotted 20,000 equity shares consequent to the exercise of options by certain eligible employees under ESOP 2009 plan of the Company.

## 6. Subsidiary Companies

Subsidiaries of the company are engaged in the business of providing IT Services or business solutions or consulting services. The details of Subsidiary Companies are given in Form No. MGT – 9 annexure to this report. There has been no material change in the nature of the business of the subsidiaries.

There are no associate Companies within the meaning Section 2(6) of the Companies Act, 2013.

The Company's wholly owned subsidiary Saksoft Inc and its subsidiaries earned revenue of \$16.24 mn (equivalent to Rs.1045.87 mn) during financial year 2017-18 compared to \$16.05 mn (equivalent to Rs. 1074.87 mn) during financial year 2016-17 registering a increase of 1.15% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc increased by 32.83% on consolidated basis and increased to \$ 0.54 mn (equivalent to Rs.35.07 mn) during financial year 2017-18 compared to \$ 0.41 mn (equivalent to Rs. 27.45 mn) during financial year 2016-17.

During the financial year 2017-18, the Company had acquired balance 24% of the equity share capital in Threesixty Logica Testing Services Private Limited making it a wholly owned subsidiary of the Company.

During the financial year 2017-2018, Saksoft Inc., had completed the acquisition of California based startup Faichi Solutions LLC., which is a technology company that focuses on providing IT Services in the Healthcare Space. Pursuant to the above acquisition by Saksoft Inc., Faichi Solutions LLC., has become a Step Down Subsidiary of Saksoft Limited.

The Company's wholly owned subsidiary Saksoft Pte Ltd. earned revenue of S\$ 2.23 mn (equivalent to Rs. 105.80 mn) during financial year 2017-18 compared to S\$ 1.59 mn (equivalent to Rs. 76.92 mn) during financial year 2016-17 registering a increase of 40.07% in Singapore dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd increased by 19.38% on consolidated basis and ncreased to to \$0.196mn (equivalent to Rs. 9.32 mn) during financial year 2017-18 compared to S\$ 0.16 mn (equivalent to Rs. 7.74 mn) during financial year 2016-17.

The Company's wholly owned subsidiary Saksoft Solutions Ltd together with its subsidiaries earned revenue of GBP 10.54 mn (equivalent to Rs. 900.26 mn) during financial year 2017-18 compared to GBP 10.1 mn (equivalent to Rs. 883.95 mn) during financial year 2016 - 17 registering a growth of 4.37% in Pound Sterling terms over the previous financial year. The profits of Saksoft Solutions Ltd before tax and amortisations increased by 380.33% on consolidated basis and increased to GBP 0.76 mn (equivalent to 65.13 mn) during financial year 2017 – 18 compared to GBP 0.002 mn (equivalent to Rs. 0.22 mn) during financial year 2016 – 17.

The Company's subsidiary Threesixty Logica Testing Services Private Limited together with its subsidiary earned revenue of Rs. 282.02 mn during financial year 2017-18 compared to Rs. 328.33 mn during financial year 2016-17 registering a decrease of 16.40% in rupee terms over the previous financial year. The profits before tax of Threesixty Logica Testing Services Private Limited dropped by 30.70% on consolidated basis and decreased to Rs.62.40 mn during financial year 2017-18 compared to Rs. 90.04 mn during financial year 2016-17.

DreamOrbit Softech Private Limited, a subsidiary Company together with its subsidiary earned revenue of Rs. 443.99 mn during financial year 2017-18 compared to Rs.355.36 mn during financial year 2016-17 registering a growth of 24.90% in rupee terms over the previous financial year. The profits before tax of Dreamorbit Softech Private Limited grew by 37% on consolidated basis and increased to Rs.83.18 mn during financial year 2017-18 compared to Rs. 60.63 mn during financial year 2016-17.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of the financial statement of subsidiaries is attached to the consolidated financial statements in Form AOC-1. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Subsidiaries, are available on the website of the Company. Also these documents will be available for inspection during business hours at the registered office of the Company.

## 7. Related Party Transactions

The transactions with related parties entered into by the Company are periodically placed before the Audit Committee for its approval. All related party transactions that were entered during the financial year were on arm's

length basis and were in the ordinary course of the business. No transaction with the related party is material in nature in accordance with the Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, hence Form AOC-2 is not required to be annexed with this report. In accordance with Ind AS 24, the details of the transactions with the related parties are set out in Note No. 22 forming part of Standalone financial statements.

The policy on related party transactions and material subsidiary as approved by the Board of Directors are available on the company's website. Web link of the same is given under point 17 of the Corporate Governance report.

## 8. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any Loans, Guarantees or Investments other than as stated in note nos. 5 & 12 of the financials. The Particulars of the existing loans, Guarantees or Investments are provided under Note No. 5 & 12 forming part of Standalone financial statements.

## 9. Public Deposits

There are no deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2017-18, the details of which are required to be furnished.

## 10. Material Changes after 31st March, 2018

There have been no material changes and commitments between 31st March 2018 and the date of this report having an adverse bearing on the financial position of the Company.

## 11. Policy on sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for Sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at work place in line with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The constitution of the ICC is displayed at conspicuous place

at office locations of the Company.

The following is the summary of the complaints received and disposed off during the financial year 2017-18:

- a) No. of SH Complaints received : Nil
- b) No. of SH Complaints disposed off : Nil

## 12. Corporate Social Responsibility (CSR)

CSR Committee consists of :

1. Mr. Aditya Krishna, Chairman & Managing Director
2. Mr. Amitava Mukherjee, Independent Director and
3. Ms. Kanika Krishna, Non-Executive Director

The Committee's responsibilities are as stipulated under Section 135 of the Companies Act, inter-alia which includes formulating the CSR policy in compliance to Section 135 of the Companies Act 2013 and identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.

Web link of the adopted CSR policy of the company is given under point 17 of the Corporate Governance report.

CSR Committee met twice on 26th May, 2017 and 7th February, 2018. The Committee has recommended to the Board of Directors to contribute not less than 2% of the average net profit of the last three financial years toward CSR fund for the financial year 2017-18 to aid NGO's undertaking projects in the field of "Promoting education including special education and employment enhancing vocational skills especially among children women, elderly, and the differently abled and livelihood enhancing projects"

The report on CSR activities is annexed to and forms part of, this report as "Annexure -1"

## 13. Internal Control Systems and their Adequacy

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and procedures commensurate with the Size and nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed by the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels. The Committee also reviews the internal auditors' report, key issues, significant processes and accounting policies.

## 14. Internal Auditors

M/s. Grant Thornton, Chartered Accountants, Chennai were the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

## 15. Board Meetings, Board of Directors & Key Managerial Personnel

There was no change in the composition of the Board of Directors during the financial year. Disclosures with respect to the Board composition, Directors and Board meetings held during the financial year are covered under the Corporate Governance report forming part of this report. As per the Provisions of the Companies Act, 2013, Ms. Kanika Krishna retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The brief resume and other details relating to Ms. Kanika Krishna as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, are furnished in the Notice of Annual General Meeting being sent to the Members along with this Annual Report. During the year, under review, there are no changes in the Key Managerial Personnel appointed under Section 203 of the Companies Act, 2013.

As per disclosures made by the Directors, none of the Directors are disqualified pursuant to Section 164 of the Companies Act, 2013 and the disclosures have been taken on record by the Board of Directors. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of Independence as laid down in Section 149(6) of the Act.

The disclosures required under Section 197(12) of the Companies Act 2013, is given in "Annexure 2".

## 16. Board Committees

The Company has the following Committees of the Board:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee and
4. Corporate Social responsibility Committee (CSR)

The Composition of each of the above Committees 1 to 4, its respective roles and responsibilities are detailed in the Corporate Governance Report forming part of this Annual Report. Composition of CSR and its role and responsibility is detailed in this report.

## 17. Board diversity

The Company recognizes that building a Board of diverse and inclusive culture is integral to its success. Ethnicity, age and gender diversity are areas of strategic focus to the composition of our Board. The Board considers that its diversity, including gender diversity, is a vital asset to the business. The Board has adopted the Board Diversity policy which sets out the approach to diversity of the Board of Directors. Web link of the Board Diversity Policy is given under point 17 of the Corporate Governance report.

## 18. Board Evaluation

The Board on recommendation of the Nomination and Remuneration Committee has structured a framework for evaluation of the Individual Directors, Chairman, Board as a whole and its Committees. The Independent Directors at their Meeting held on 7th February, 2018 evaluated the performance of Non-Executive Directors, Chairman and assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation of the Directors and the Board as a whole and its Committees were done through circulation of questionnaires based on the SEBI Guidelines note on Board evaluation issued on 07th February, 2018. The questionnaires assessed the performance on select parameters related to roles, responsibilities and obligations of the Board as a whole, individual Director, Chairman, Independent Directors and functioning of the Committees. The evaluation criterion was based on the participation, contribution and offering guidance to and understanding of the areas which are relevant to the Directors in their capacity as Members of the Board/Committees.

## 19. Nomination and Remuneration Policy

The Company has a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, Independence of a Director and other related matters as required under Section 178(3) of the Act and SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015. The salient features of the policy are given in Annexure-3 to this Report.

## 20. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, the Directors' hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for the year under review;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

## 21. Vigil Mechanism/ Whistle Blower Policy:

Details of the Vigil Mechanism are covered under the Corporate Governance Report forms part of this Annual Report.

## 22. Auditors

M/s. RGN Price & Co., Chartered Accountants, Chennai are the Statutory Auditors of the Company.

## 23. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as "Annexure- 4".

## 24. Auditor's Report and Secretarial Audit Report

There are no qualifications or adverse remarks in the Auditors' Report and Secretarial Auditors' Report.

## 25. Secretarial Standard

The Company has complied with applicable Secretarial Standards.

## 26. Conservation of Energy

The Company is a software company and hence the operations of the Company are not energy intensive. The Company employs energy efficient computers and office equipment. The company strives to evolve new technologies to see to that the infrastructure is more energy efficient. The Chennai delivery centre is situated in the LEED pre certified gold rated green building.

## 27. Technology Absorption

The Company adopts continuous process improvement and is constantly in touch with the developments in the emerging technologies in relation to Business Intelligence (BI) and the Information Management (IM). The thought leaders within the Company interact regularly with the leading technology and market leaders in BI tools (both open source and licensed). This ensures your Company is not only able to adopt evolving technologies at an early stage and package these as services to the customers, enhancing value for them but also ensures the readiness of a trained employee base for undertaking projects in disruptive technologies. The Company's operations do not require significant import of technology.

## 28. Research and Development (R&D)

As mentioned above the Company is constantly involved in developing solutions for its customers using the emerging technologies which involve considerable research and development efforts on the part of the employees. The efforts and costs incurred in such research are integral to the operations of the Company and are not segregated and identified separately.



## 29. Foreign exchange earnings and outgo

		(Rs. in mn)
Foreign exchange earnings and Outgo	2017-18	2016-17
Foreign Exchange earnings	412.12	421.24
Expenditure in Foreign Currency	16.04	10.07

## 30. Extract of Annual Return

The details forming part of the Annual Return in form of MGT 9 is annexed as "Annexure - 5".

## 31. Risk Management

Risk Management is an integral part of the business process. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk. The Statement of Risk indicating development and implementation of risk management policy is annexed to and forms part of this Report as Annexure 10. At present the Company has not identified any element of risk which may threaten the existence of the company.

## 32. Particulars of Employees

During the financial year under review, none of the top ten employees in terms of remuneration drew remuneration of Rs.10.20 mn or more per annum or Rs. 0.85 mn or more per month, hence the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable.

## 33. Employees Stock Option Scheme

The Company currently administers two stock option schemes, Viz., ESOP 2006 and ESOP 2009. During the year under review, there are no changes in the above said scheme. Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 22 (e) forming part of standalone financial statements. The details of the Options granted up to March 31, 2018 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is given as Annexure 6 forming part of this report.

The above information forms part of the Annual report.

## 34. Corporate Governance

The Company is committed to maintaining high standards of Corporate Governance, protecting the Customers', Shareholders' and other Stakeholders' interests. Towards this, the Company has adopted high standards of governance Principles, Practices and disclosure levels.

Pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Corporate Governance Report, Compliance Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis Report are annexed to and forms part of, this report as Annexure 7, 8 and 9.

The web link to access the Annual Report is given under point no. 17 of the Corporate Governance report.

## 35. Policy on Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees and connected persons of the Company in line with SEBI (Prohibition of Insider Trading) Regulations, 2015.

## 36. Acknowledgement

The Company takes this opportunity to thank its customers, vendors, investors, business associates and bankers for their support extended during the year to the Company.

The Management also likes to thank the Government of India, the Governments of various countries, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation. The Management would also wish to place their appreciation to the employees of the Company for the excellent contributions extended at all levels in achieving growth and results.

For and on behalf of the Board

Place: Chennai  
Date: 30th May, 2018

**Aditya Krishna**  
Chairman & Managing Director

## ANNEXURE-1

### Annual Report on Corporate Social Responsibility (CSR) Activities

#### 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR policy was approved by the Board of Directors on 26th September, 2014. The policy objectives are as follows:

- Develop meaningful and effective strategies for engaging with all stakeholders
- Make sustainable contributions to Communities
- Identify socio-economic opportunities to perform CSR activities
- Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.
- Partner with credible organizations focused on social welfare activities

Web Link: <http://www.saksoft.com/company/investor-relations>

#### 2. Composition of CSR committee

The followings Directors are the members of CSR committee.

Mr. Aditya Krishna – Chairman & Managing Director

Mr. Amitava Mukherjee - Independent Director

Ms. Kanika Krishna – Non - Executive Director

#### 3. Average net profit of the company for last three financial years:

Average net profit: Rs. 107.62 mn

#### 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

The company is required to spend Rs. 2.15 mn

#### 5. Details of CSR spend for the financial year

- a) Total amount spent for the financial year: Rs. Nil. However, an amount of Rs 0.801mn was spent during the financial year 2017-18 out of Rs. 2.04 mn (which was the prescribed CSR expenditure for the previous fy 2016-17)
- b) Amount unspent if any: The Company is yet to contribute the prescribed CSR amount during the financial year 2017-18.

c) Manner in which the amount spent during the financial year is detailed below:

Sr No	Project/ Activities	Sector	Locations	Amount outlay (Budget) Project or Programme wise (Rs. in mn)	Amount spent on the project or programme (Rs. in mn)	Cumulative Expenditure upto reporting Period (Rs. in mn)	Amount Spent: Direct or through implementing Agency
1	To Impart Functional Academia, Behavioral & Physical Development, Social and living skills to 50+ special children with autism and related challenges.	Education	Tamilnadu	2.15	Nil However, amount of Rs 0.801mn was spent during the financial year 2017-18 out of Rs. 2.04 mn (which was the prescribed CSR expenditure for the previous fy 2016-17)	Nil 0.80	Agency : Swabhodini School of Special Children

1. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report :

The Company has identified the area of contribution for CSR activities as per the particulars in the above table and it has outlaid a total expenditure of Rs.2.15 mn and the entire amount of Rs. 2.15 mn to be spent on CSR activities during the financial year 2018-19 along with the amount to be spent for that year.

7. CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Place: Chennai  
Date: 30th May, 2018

**Aditya Krishna**  
Chairman & Managing Director & Chairman of  
Corporate Social Responsibility Committee

## ANNEXURE-2

### Particulars of Remuneration

The information required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Manager Personnel) Rules, 2014, is follows:-

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Non- Executive Directors*	Ratio to Median Remuneration
Mr. Amitava Mukherjee	0.35
Mr. Ajit Thomas	0.41
Mr. VVR Babu	0.36
Ms. Kanika Krishna	0.43
Executive Director	
Mr. Aditya Krishna	9.73

\*Sitting fees based on the number of meetings attended by the Directors and commission paid during the financial year 2017-18 were considered to calculate ratio to median remuneration.

2. The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Person	% Increase in Remuneration*
Mr. Amitava Mukherjee	(*)
Mr. Ajit Thomas	(*)
Mr. VVR Babu	(*)
Ms. Kanika Krishna	(*)
Mr. Aditya Krishna- Chairman & Managing Director	-
Mr. Niraj Kumar Ganeriwala, Chief Financial Officer	20
Mr. S. Muthukrishnan, Company Secretary#	-

(\*) The remuneration of the Non-Executive Directors comprises commission and sitting fees paid for attending the Board/ Committee meetings. There was no increase in sitting fee during the year. The actual payment of sitting fee is based on the number of meetings attended by the Director. There was no increase in the commission paid to the Non- Executive Directors. In view of the aforesaid facts, the calculation of the percentage increase in remuneration of Non-Executive Directors would not be meaningful and hence not provided.

(#)The Company Secretary was appointed during the Financial Year 2017-18. Hence, the comparison with the previous Financial Year 2016-17 is not applicable.

3. The percentage increase in the median remuneration of employees in the financial year: 4%

4. The number of permanent employees on the rolls of Company: 502

5. Average Percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2017-18 was 8.4%. Percentage increase in the managerial remuneration (Senior Leadership Team) for the year was 13%

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place: Chennai  
 Date: 30th May, 2018

**Aditya Krishna**  
 Chairman & Managing Director

## ANNEXURE-3

### Nomination and Remuneration Policy

#### Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, and in terms of the provisions of the Companies Act, 2013 and the SEBI Regulations as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into Part A dealing with the matters to be dealt by Nomination & Remuneration Committee to be recommended to the Board, Part B dealing with Policy for Appointment and Removal of Director, KMP and Senior Management, Part C dealing with Policy relating to the remuneration for the Whole-time Director, KMP and Senior Management Personnel and Part D dealing with Policy relating to the making of payments to Non-Executive/ Independent Directors:

The entire policy is available in the Company's website [www.saksoft.com](http://www.saksoft.com) and the weblink to access the policy is [www.saksoft.com/company/investor-relations](http://www.saksoft.com/company/investor-relations)



## ANNEXURE-4

### Annexure B to Board's Report SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
 The Members,  
**SAKSOFT LIMITED**

We have conducted a Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAKSOFT LIMITED (hereinafter called "the Company") during the Financial year from 01 April, 2017 to 31 March, 2018 (the year/ audit period/ period under review).

We conducted the Secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- i. Our verification of Company physical/ electronic books, papers, minute books, forms and returns filed and other records maintained by the Company and furnished to us, and compliance related action taken by the Company during the year as well as after 31 March, 2018 but before the issue of this audit report; and
- ii. Our observations during our visits to the registered office of the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit.

We hereby report that in our opinion, the company has, during the audit period covering the financial year 2017-2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

#### 1. Compliance with Specific Statutory Provisions:

We further report that:

- 1.1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;

- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations by-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Overseas Direct Investments and Export of goods and services;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits), 2014;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (f) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- (vii) The following laws are specifically applicable to the Company:

- a. The Information Technology Act, 2000
- b. Policy relating to Software Technology Parks of India and its regulations
- c. The Indian Copyright Act, 1957
- d. The Trademarks Act, 1999
- e. The Patents Act, 1970

1.2 During the period under review, and also after considering the compliance related action taken by the Company after 31 March 2018 but before issue of this report, the Company has, to the best of our knowledge and belief and based on the records (physical/ electronic), information, explanations and representations furnished to us complied with the laws mentioned in paragraph 1.1 above.

1.3 We are informed that, during/ in respect of the year the Company was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minutes books or other records or file any forms/ returns under:

- a. The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008.
- b. The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009.
- c. The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998.

## 2. Board Processes:

We further report that:

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

2.2 There were no changes in the composition of the Board of Directors during the period under review.

2.3 Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except two board meetings during the year which were called in shorter notice and duly ratified by Independent Directors.

2.4 A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

2.5 As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

## 3. Compliance mechanism:

We further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with applicable laws including general laws, competition law, and environmental laws.

3.2 The compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

## 4. Specific Events/ actions:

We further report that during the audit period the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc took place:

- a) The Company allotted 20,000 Equity Shares of Rs 10 each on 16 October 2017 to eligible employees under ESOP 2009 Plan of Saksoft Limited at the grant price fixed on the date of grant of options being December 03, 2010 and 08th July 2014. The Company had obtained listing and trading approval for the said allotted equity shares from National Stock Exchange of India Limited (NSE) and BSE Limited (where the company is under permitted trading category only).
- b) The Company acquired 24% equity stake in Threesixty Logica Testing Services Private Limited, its subsidiary on 03 July, 2017 making it a wholly owned subsidiary of Saksoft Limited.
- c) Saksoft Inc., an overseas wholly owned subsidiary Company of Saksoft Limited, acquired Faichi Solutions Inc., on 03 January, 2018, thus making Faichi Solutions Inc., a step down subsidiary of Saksoft Limited.

For Lakshmmi Subramanian & Associates

**Swetha Subramanian**

Place: Chennai

ACS: 33222

Date: 30th May, 2018

CP No: 12512

## “Annexure A”

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED for the financial year ended 31.03.2018)

To,  
The Members,  
**SAKSOFT LIMITED**

Our Secretarial Audit Report for the financial year ended 31 March 2018 is to be read along with this Annexure A.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

For Lakshmmi Subramanian & Associates

**Swetha Subramanian**  
ACS: 33222  
CP No: 12512

Place: Chennai  
Date: 30th May, 2018

## ANNEXURE-5

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details

i. CIN	L72200TN1999PLC054429
ii. Registration Date	24/11/1999
iii. Name of the Company	SAKSOFT LIMITED
iv. Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v. Address of the Registered office and contact details	SP Infocity II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096. Office +91 44 24543500 Email: complianceofficer@saksoft.co.in or investorqueries@saksoft.co.in
vi. Whether listed company	Yes. Listed with National Stock Exchange of India Limited (NSE) and in BSE under permitted trading category.
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Buildings No.1, Club House Road, Chennai - 600 002. Tel:+91-44-28460390, Fax: +91 - 44 - 28460129 Email: investor@cameoindia.com; Web-site: www.cameoindia.com

#### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Computer Programming, Consultancy and Related Activities	620	100

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Saksoft Inc. Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302.	Foreign Company	Subsidiary	100	2(87)

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
2	Nanda Infotech Services Inc. (DBA Electronic Data Professionals) 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020	Foreign Company	Subsidiary	Saksoft Inc. holds 100%	2(87)
3	Saksoft Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	100	2(87)
4	Acuma Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
5	Acuma Software Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
6	Saksoft Pte Limited 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore – 208787	Foreign Company	Subsidiary	100	2(87)
7	Threesixty Logica Testing Services Private Limited SP Infocity, Block A, II Floor, No. 40, Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai – 600096.	U72900TN2009PTC120672	Subsidiary	100	2(87)
8	Threesixty Logica Testing Services Inc. 640 W California Ave, Suite 210, Sunnyvale, CA 94086	Foreign Company	Subsidiary	Threesixty Logica Testing Services Pvt. Ltd. Holds 100%	2(87)
9	DreamOrbit Softech Private Limited No.19, Ascend, 2nd Floor, 1st cross, 17th C Main, Koramangala 5th Block, Bangalore, Karnataka 560095.	U72100KA2010PTC052990	Subsidiary	60	2(87)
10	DreamOrbit Inc., 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Foreign Company	Subsidiary	Dreamorbit Softech Private Limited holds 100%	2(87)
11	Faichi Solutions 640 W. California Ave Sunnyvale, CA 94086 Phone: +1(408)-769-4941	Foreign Company	Subsidiary	Saksoft Inc holds 100%	2(87)



## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter									
1)	Indian									
a)	Individual/ HUF	2118520	0	2118520	20.2245	2318640	0	2318640	22.1349	1.9104
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp	4737700	0	4737700	45.2286	4836465	0	4836465	46.1715	0.9428
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	Employees Welfare Fund	532460	0	532460	5.0831	0	0	0	0	-5.0831
	<b>Sub-total(A)(1):-</b>	<b>7588800</b>	<b>0</b>	<b>7588800</b>	<b>72.4467</b>	<b>7155105</b>	<b>0</b>	<b>7155105</b>	<b>68.3064</b>	<b>-4.1402</b>
2)	Foreign									
g)	NRIs-Individuals	0	0	0	0	0	0	0	0	0
h)	Other-Individuals	0	0	0	0	0	0	0	0	0
i)	Bodies Corp.	0	0	0	0	0	0	0	0	0
j)	Banks / FI	0	0	0	0	0	0	0	0	0
k)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (A)</b>	<b>7588800</b>	<b>0</b>	<b>7588800</b>	<b>72.4467</b>	<b>7155105</b>	<b>0</b>	<b>7155105</b>	<b>68.3064</b>	<b>-4.1402</b>
B.	Public Shareholding									
1.	Institutions	0	0	0	0	0	0	0	0	0
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	524	0	524	0.0050	981	0	981	0.0093	0.0043
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital	0	0	0	0	0	0	0	0	0
l)	Others (specify) – Foreign Portfolio Investor (Corporate) Category II	38000	0	38000	0.3627	48000	0	48000	0.4582	0.0954
	Foreign Portfolio Investor (Corporate) Category III	0	0	0	0	5000	0	5000	0.0477	0.0477
		38000	0	38000	0.3627	53000	0	53000	0.5059	0.1431
	<b>Sub-total (B)(1)</b>	<b>38524</b>	<b>0</b>	<b>38524</b>	<b>0.3677</b>	<b>53981</b>	<b>0</b>	<b>53981</b>	<b>0.5153</b>	<b>0.1475</b>
2.	Non Institutions									
a)	Bodies Corp. (i) Indian (ii) Overseas	367680	0	367680	3.5100	491172	0	491172	4.6889	1.1789

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	850062	3006	853068	8.1438	924666	2406	927072	8.8503	0.7064
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1425353	0	1425353	13.6071	1138983	0	1138983	10.8733	-2.7338
c)	Others (Specify)									
	Clearing Member	4651	0	4651	0.0444	6807	0	6807	0.0649	0.0205
	ESOP/ESOS/ESPS	4054	7400	11454	0.1093	4363	7000	11363	0.1084	-0.0008
	Employee Trusts	0	0	0	0	532460	0	532460	5.0831	5.0831
	Foreign Nationals	56	0	56	0.0005	56	0	56	0.0005	0.0000
	Hindu Undivided Family	60902	0	60902	0.5814	95335	0	95335	0.9101	0.3287
	IEPF	0	0	0	0	870	0	870	0.0083	0.0083
	Non Resident Indians	104512	0	104512	0.9977	60896	0	60896	0.5813	-0.4163
	Trusts	0	0	0	0	900	0	900	0.0085	0.0085
		<b>174175</b>	<b>7400</b>	<b>181575</b>	<b>1.7334</b>	<b>701687</b>	<b>7000</b>	<b>708687</b>	<b>6.7655</b>	<b>5.0320</b>
	Sub-total (B)(2)	2817270	10406	2827676	26.9945	3256508	9406	3265914	31.1781	4.1836
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2855794</b>	<b>10406</b>	<b>2866200</b>	<b>27.3622</b>	<b>3310489</b>	<b>9406</b>	<b>3319895</b>	<b>31.6935</b>	<b>4.3312</b>
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>10444594</b>	<b>10406</b>	<b>10455000</b>	<b>99.8090</b>	<b>10465594</b>	<b>9406</b>	<b>10475000</b>	<b>100</b>	<b>0.1909</b>

## ii. Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the year*
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	
1.	Sak Industries Private Limited	4554550	43.4801	Nil	4653315	44.4230	Nil	0.9428
2.	Aditya Krishna	2118520	20.2245	Nil	2318640	22.1349	Nil	1.9104
3.	Saksoft Employee Welfare Trust	532460	5.0831	Nil	0	0	Nil	(5.0831)
4.	Autar Krishna	200120	1.9104	Nil	0	0	Nil	(1.9104)
5.	Sonnet Trades & Investments Private Limited	183150	1.7484	Nil	183150	1.7484	Nil	0
	<b>Total</b>	<b>7588800</b>	<b>72.4465</b>	<b>Nil</b>	<b>7155105</b>	<b>68.31</b>	<b>Nil</b>	<b>(4.1402)</b>

### iii. Change in Promoters Shareholding (Please specify, if there is no change)

Sr No.	Name of the Promoters	Shareholding at the beginning of the year 01.04.2017	Date wise increase/ decrease in promoters' Shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)		Cumulative Shareholding during the year	Shareholding at the end of the Year 31.03.2018
1	Sak Industries Private Limited	4554550	31.10.2017	989765 Open market purchase	4653315	4653315
2	Aditya Krishna	2118520	07.07.2017	200120 Increase due to transmission of shares	2318640	2318640
3	Autar Krishna	200120	07.07.2017	200120 Decrease due to transmission of shares to Mr. Aditya Krishna.	Nil	Nil
4	Saksoft Employee Welfare Trust	532460	27.10.2017	532460 Reclassified as Non Promoter Non Public Category pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014.	Nil	Nil

### iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs): (Refer note V below)

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2017		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	B.bharathan Kanthimathinathan	379800	3.6257	(58025)	0.5537	321775	3.0718
2	Umamaheswari Janarthanan	183500	1.7517	0	0	183500	1.7517
3	Qoppa Trading Private Limited	166748	1.5918	166748	1.5918	0	0
4	M Umayal	141800	1.3536	(18223)	0.1739	123577	1.1797
5	Niraj Kumar Ganeriwala	63500	0.6062	8000	0.1144	71500	0.6825
6	Ganesh Srinivasan	58000	0.5536	(58000)	0.5536	0	0
7	Annu Thomas	57950	0.5532	(33)	0.0003	57917	0.5529
8	Equity Intelligence India Private Limited	55858	0.5332	(55858)	0.5332	0	0
9	S.Thillainayaki	40213	0.3838	(5929)	0.0565	34284	0.3272
10	Saksoft Employees Welfare Trust	532460	5.0831	0	0	532460	5.0831
11	Rajasthan Global Securities Private Limited	0	0	259809	2.4801	259809	2.4801
12	Passage To India Master Fund Limited	38000	0.3627	10000	0.0954	48000	0.4582
13	Sunglow Capital Services Limited	0	0	39603	0.3780	39603	0.3780

## v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2017	Change in the shareholding during the year (Net)	Shareholding at the end of the Year 31.03.2018
1	Aditya Krishna, Chairman and Managing Director	2118520	200120	2318640
2	Ajit Thomas, Director	200000	(100000)	100000
3	Niraj Kumar Ganeriwala, CFO	63500	8000	71500

Note for point no. iv and v above: The above details are given as on 31st March, 2018. The company is listed and 99.91% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has allotted 20,000 Shares consequent to exercise of ESOP by the eligible employees which resulted in the increase in the total paid up share capital as on 31.03.2018.

## VI. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Mn)

Name of the Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	184.32	215	-	399.32
ii) Interest due but not paid	-	-	-	-
Total (i+ii+iii)	184.32	215	-	399.32
Change in Indebtedness during the Financial year				
- Addition	6.66	30	-	36.66
- Reduction	60.58	-	-	(60.58)
Net Change	(53.92)	30	-	(23.92)
Indebtedness at the end of the financial year				
i) Principal Amount	130.40	245	-	375.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	130.40	245	-	375.4

## VII. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Mn)

Sr No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Aditya Krishna	
1	Gross salary	5.40	5.40
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
6	Total (A)	5.40	5.40
	Ceiling as per the Companies Act, 2013	Being 5% of the net profits of the Company	

### B. Remuneration to other directors:

(Rs. in Mn)

Sr No.	Particulars of Remuneration	Sitting Fee paid for attending Board/ Committee Meetings	Commission Paid	Others, Please specify	Total Amount
1	Independent Directors				
	Mr. Amitava Mukherjee	0.095	0.10	Nil	0.195
	Mr. Ajit Thomas	0.13	0.10	Nil	0.23
	Mr. VVR Babu	0.105	0.10	Nil	0.20
2	Other Non-Executive Directors				
	Ms. Kanika Krishna	0.14	0.10	Nil	0.24
	Total managerial remuneration	0.47	0.40	Nil	0.87
	Ceiling as per the Companies Act, 2013	Being 1% of the net profits of the Company			



### C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

(Rs. in Mn)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Niraj Kumar Ganeriwala	S. Muthukrishnan	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.91	1.15	7.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.55	-	1.55
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
6	Total (A)	7.46	1.15	8.61

### VIII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during year ended March 31, 2018.

For and on behalf of the Board

Place: Chennai  
 Date: 30th May, 2018

**Aditya Krishna**  
 Chairman & Managing Director

## ANNEXURE-6

Name of the Plan	ESOP 2006	ESOP 2009
Date of Shareholders' approval	3rd February 2006	7th December 2009
Total number of options approved under the Plan	5,82,460	10,00,000 Equity Shares (Amended from 5 Lakh shares to 10 Lakh shares vide Resolution passed at the Annual General Meeting dated 05th August, 2013)
Vesting requirements	25% of the Options granted will vest at the end of year 1, 2, 3, and 4 from the date of grant.	
Exercise Price or Price formula	The Stock options granted were priced at the Closing market price of the Company's equity shares quoted on the National Stock Exchange of India on the date prior to the date on which the Nomination and Remuneration committee decides to recommend to the grant of Options to eligible employees.	
Maximum term of Options granted	Options can be exercised within the exercise period of 5 years from the date of grant of options.	Options can be exercised within the exercise period of 10 years from the date of grant of options.
Source of Shares (Primary, secondary or combination)	Secondary, Primary	
Variation in terms of options	Vide Special Resolutions passed through postal ballot on 08th March, 2011, the exercise period of the scheme was amended from 12 months to 5 years from the date of grant of options.	1. Vide AGM resolution dated 05th August, 2013, the number of options to be granted under the scheme was increased from 5 Lakh shares to 10 Lakh Shares. 2. Vide AGM resolution dated 26th September 2014, exercise period of the Scheme was amended by extending the exercise period to 10 years from the date of granting of options. (Earlier it was 5 years).
Outstanding options at the beginning of the year	27,500	3,75,000
Options Granted during the year	NIL	NIL
Options forfeited/lapsed during the year	27,500	1,70,000
Options Vested during the year	27,500	50000
Options Exercised during the year	NIL	20,000
Total numbers of shares arising as a result of exercise of option	NIL	20,000
The Exercise price	45.05	44.25/- (for 10,000 options) and 93/- (for 10,000 options)
Money realized by exercise of options	NIL	Rs.1.37 mn
Loan repaid by the Trust during the year from Exercise price received	Not applicable	Not applicable
Options outstanding at the end of the year	NIL	1,85,000
Options exercisable at the end of the year	NIL	110000
Employee wise details of Options granted to		
(1) Key & Senior Management Personnel.	NIL	NIL

Name of the Plan	ESOP 2006		ESOP 2009				
(2) Any other employee who receives a grant in any year of option amounting to 5% or more of options granted during the year.	NIL		NIL				
(3) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	NIL		NIL				
Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) – 20 (Earnings per share)	Diluted Earnings per share as reported Rs. 8.70 ( Previous year Rs. 6.20)						
Weighted-average exercise prices and weighted average fair values of options shall have been disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the Stock.	No options granted during the Year.			No options granted during the year.			
A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information	The Fair value of the stock options granted has been calculated using the Black-Scholes options pricing formula and the significant assumptions made in this regard are as follows:						
ESOP Plan Grant Date:	ESOP 2006	ESOP 2009					
	13-06-2012	03-12-2010	08-07-2014	26-09-2014	25-05-2015	27-05-2016	12-08-2016
(i) risk-free interest rate	6.96%	7.20%	7.44%	7.46%	7.55%	7.34%	6.97%
(ii) expected life	1.25 years	4.75 years	8.25 years	8.50 years	9.83 years	4 years	4 years
(iii) expected volatility	67.73%	59.65%	62.03%	61.88%	62.10%	61.19%	63.54%
(iv) expected dividend	3.00%	3.00%	3.00%	3.00%	3.00%	1.29%	1.27%
(v) the price of the underlying share in	Rs. 45.05/-	Rs 44.25/-	Rs. 93.00/ -	Rs.138.70/-	Rs.151.70/-	Rs.211.15/-	Rs.231.65/-

No grants made in three years prior to IPO.

**Employee wise details of Senior Managerial Personnel with the options granted during the year under ESOP 2009 plan** - No options were granted during the financial year.

For and on behalf of the Board

Place: Chennai  
 Date: 30th May, 2018

**Aditya Krishna**  
 Chairman & Managing Director

## ANNEXURE-7

### Report on Corporate Governance

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### 1. Company's Philosophy on Corporate Governance

The Board of Directors ('the Board') of Saksoft Limited is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our Stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. Our values are integrated into every aspect of our work and we believe it to be a core attribute of being socially responsible. The Company has adopted a Code of Conduct for its Directors and Senior Management. Code of Conduct of the Company mandates disclosure by Directors and Senior Management to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. All members of the Board of Directors and Senior Management Personnel have tendered affirmation in compliance with the code of conduct.

Saksoft's philosophy on Corporate Governance has evolved over a period of time and strives to achieve balance between individual interests and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations in a manner that is guided by transparency, accountability and integrity. Accountability improves decision-making and transparency helps to explain the rationale behind decisions and to build Stakeholder confidence. We believe that sound Corporate Governance is critical to enhancing and retaining investor trust. Accordingly, we seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

It has been the endeavor of the Company to be one of the best practitioners of Corporate Governance and ensure compliance with SEBI (Listing obligations and disclosure Requirements), Regulations, 2015 (herein after referred as "LODR"). The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The following is a report on the status and progress on Corporate Governance and its implementation as per Section C- Corporate Governance Report of Schedule V of LODR. In Compliance with Regulation 27(2) of LODR, the Company has submitted a quarterly compliance report on Corporate Governance within 15 days from the close of each quarter.

#### 2. Board of Directors

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. In Compliance with Regulation 17 of LODR, the Board comprises of five Directors, out of which three Independent Directors comprise of more than half of the total strength of the Board. The Chairman of the Board is an executive Director. The Board also comprise of a Non-Executive Woman Director. None of the Directors on the Company's Board are a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies.

The required information as enumerated in Schedule II, Part A of LODR is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the report made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis and also steps taken to remediate instances of non-compliance, if any. The Chairman & Managing Director and the Chief Financial Officer (CFO) have furnished the Compliance certificate to the Board in accordance with Schedule II - Part B of SEBI (LODR) for the Financial Year ended March 31, 2018. The Board of Directors review at regular intervals with respect to the plans for orderly succession for appointment to the Board of Directors and Senior Management.

**(a) Composition and category of Directors:**

Name of the Directors	Designation	Category
Aditya Krishna	Chairman & Managing Director	Executive and Promoter
Amitava Mukherjee	Director	Independent Non-Executive
Ajit Thomas	Director	Independent Non-Executive
VVR Babu	Director	Independent Non-Executive
Kanika Krishna	Director	Non-Executive

**(b) The attendance of each Director at Board Meetings and last Annual General Meeting**

Name of the Directors	Particulars of Attendance in	
	Designation	Category
Aditya Krishna	6/6	YES
Amitava Mukherjee	3/6	YES
Ajit Thomas	5/6	YES
VVR Babu	4/6	YES
Kanika Krishna	6/6	YES

**(c) Number of other Chairmanships / membership of the Board / Committees of each Director in various Companies are as under.**

Name of Director	Directorship in other Indian Public Companies	Position on Audit & Stakeholders' Relationship Committees in other Indian Public Companies
Aditya Krishna	2	-
Amitava Mukherjee	2	2
Ajit Thomas	9	4
VVR Babu	-	-
Kanika Krishna	-	-

**(d) Board Meetings**

The Board meets at least once in a quarter and the interval between two meetings is not more than 120 days. The meetings of the Board deliberate among other things, key issues like periodic operating and financial results, capital/ operating budgets, findings/comments of the Statutory and Internal auditors, risk management, internal controls, issue of capital and other resource mobilization efforts. The Board also deliberates on the Company's strategy for medium and long term growth.

The annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board meetings. The Company conducts Board meetings in compliance with the requirements of the Companies Act, 2013 and LODR. During the financial year 2017-18, the Board met 6 times on 12th April, 2017, 26th May, 2017, 30th June, 2017, 7th August, 2017, 24th November 2017 and 7th February, 2018.

**(e) Relationships between Directors inter-se**

Ms. Kanika Krishna, Non-Executive Director is daughter of Mr. Aditya Krishna, Chairman and Managing Director of the Company. Ms. Kanika Krishna does not hold any shares in the Company.

**(f) Number of Shares and Convertible instruments held by Non-Executive Directors**

The Non-Executive Directors of the Company except Mr. Ajit Thomas do not hold any shares of the Company. Mr. Ajit Thomas, Director holds 100,000 Equity Shares in the Company.



### (g) Independent Directors

All the Independent Directors have confirmed that they meet the 'Independence' criteria as required under Section 149(7) of the Companies Act, 2013. Independent Directors of the Company have met all the obligations as prescribed under Regulation 25 of LODR. None of them is a Whole Time Director in any listed entity nor serving as an Independent director in more than seven listed entities.

During the year, the Independent Directors had a separate meeting on 7th February, 2018 without the presence of Non-Independent Directors. All the Independent directors were present in that meeting.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company and the web-link of the same is given under point 17 of this Report.

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the Company and web-link of the same is given under point 17 of this report.

The performance evaluation of Independent Directors was carried out by the entire Board of Directors.

## 3. Audit Committee

- (a) Terms of Reference: The terms of reference stipulated by the Board to the Audit Committee cover the matters specified under Part C-Schedule II of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder.
- (b) Composition of Audit Committee: The Audit committee of the Company consists of three Independent Directors. The Composition of the Committee and the qualification prescribed for the members are in compliance with the requirements of Regulation 18 of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.
- (c) Meetings and attendance during the year:

During the year 2017-18, the Audit Committee met four times on 26th May 2017, 7th August 2017, 24th November 2017 and 7th February, 2018.

The attendance details are as follows:

Name of the Member	Designation	No. of Meetings Attended
Ajit Thomas	Chairman	4/4
Amitava Mukherjee	Member	3/4
VVR Babu	Member	4/4

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee is an Independent Director and was present at the Annual General Meeting held on 7th August, 2017.

All the recommendations of Audit Committee were accepted by the Board of Directors.

## 4. Nomination and Remuneration Committee

- (a) Terms of reference : The terms of reference stipulated by the Board to the Nomination and remuneration Committee cover the matters specified under Part D of the Schedule II of LODR and Section 178 of the Companies Act, 2013 and its relevant rules notified thereunder which inter-alia includes recommendation to the Board of Directors in relation to the remuneration payable to the Managing Director as and when it come up for review, administering the Employees Stock Option plans of Saksoft Limited and formulation of criteria for evaluation of performance of Independent Directors and Key Managerial Personnel.
- (b) Composition of Committee: The Constitution of Nomination and Remuneration Committee is in accordance with Regulation 19 of LODR. The Committee consists of three Independent Directors.
- (c) Meetings of the Committee: During the year under review, the Committee met on 26th May, 2017.

The members of the Nomination and Remuneration Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings Attended
Amitava Mukherjee	Chairman	1/1
Ajit Thomas	Member	1/1
VVR Babu	Member	1/1

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on 7th August, 2017.

## 5. CSR Committee

Details of terms of reference, composition of the Committee and meeting dates are placed in the Director's Report

## 6. Remuneration of Directors

- (a) All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the listed entity: Apart from the below mentioned Sitting fees and Commission, in (c) there was no pecuniary relationship or transactions with the Non-Executive Directors.
- (b) Criteria of making payments to Non-Executive Directors: Disclosed in Annexure 3 forming part of this report.
- (c) Disclosures with respect to remuneration:

### Executive Director:

(Rs. in Mn)

Name	Fixed Component	Performance linked incentives	Total
	Salary	Commission/Bonuses, stock options, pension	
Aditya Krishna, Chairman & Managing Director	5.40	NIL	5.40

### Non-Executive Directors:

The Company pays Sitting Fees of (a) Rs. 20,000/- per meeting to its Non-executive and Independent Directors for attending meetings of the Board and (b) Rs. 5,000/- per meeting to its Non-executive and Independent Directors for attending meetings of Committees of the Board. The Company has obtained approval from its Shareholders at the 16th Annual General Meeting of the Company towards payment of commission of 1% of the net profits of the Company commencing from 1st April 2015. The said commission will be decided each year by the Board of Directors and distributed amongst the Non-Executive and Independent Directors based on the period of their association with the Company during the year.

The summary of sitting fees and commission paid for the year ended 31st March, 2018 to the Directors are as follows:

(Rs. in Mn)

Sr. No.	Name of Director	Sitting fees (Board Meetings)	Sitting fees (Committee Meetings)	Managerial Commission Paid	Total
1	Amitava Mukherjee	0.06	0.035	0.10	0.195
2	Ajit Thomas	0.10	0.030	0.10	0.230
3	VVR Babu	0.08	0.025	0.10	0.20
4	Kanika Krishna	0.12	0.020	0.10	0.24

- (a) All the Directors are appointed through Shareholders resolutions. There were no service Contracts, notice period and severance fees applicable. The Company has not issued any stock options to any of the Directors. None of the Directors receive any remuneration or commission from the Subsidiary Companies.

As required, a brief profile and other particulars of the Director seeking re- appointment is given in the Notice convening the 19th Annual General Meeting of the Company which forms part of this Annual Report.

## 6. Stakeholders' Relationship Committee

- (a) Name of the Chairperson of the Committee – Mr. Amitava Mukherjee
- (b) Name and designation of Compliance Officer – Mr. S.Muthukrishnan
- (c) Number of shareholders' complaints received - During the year, there was one investor complaint received through SCORES portal for the year ended 31st March 2018. The complaints were resolved and there are NIL complaints pending.

The Constitution of Stakeholders' Relationship Committee of the Company is in accordance with Regulation 20 of LODR. The Committee consists of three Non-Executive Independent Directors. The Company Secretary acts as the secretary to the Committee. The role of the Committee is as specified in Part D of the Schedule II of LODR which inter-alia includes redressing Stakeholders' grievances like share transfers, non-receipt of Annual Report and non-receipt of dividend.

During the year, the committee met one (1) time on 26th May, 2017. The members of the Stakeholders Relationship Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings attended
Amitava Mukherjee	Chairman	1/1
Ajit Thomas	Member	1/1
Kanika Krishna	Member	1/1

## 7. General Body Meetings

- (a) Location and Time, where last three Annual General Meetings were held:

Year	Location	Date	Time
2014-15	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	10.09.2015	10.30 AM
2015-16	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	12.08.2016	10.00 AM
2016-17	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	07.08.2017	11.00 AM

(b) Special Resolutions passed during the last three Annual General Meetings

Financial Year	General Meeting	No. of Special resolutions	Particulars of Special Resolution passed
2014-15	16th Annual General Meeting	2	Re-appointment of Mr. Aditya Krishna as Managing Director for a further period of 5 years with effect from 01st April, 2016 to 31st March, 2021. Enabling resolution to enter into Related Party Transaction with Sak Industries Private Limited to the limit of Rs. 1500 million, during any one financial year.
2015-16	17th Annual General Meeting		NIL
2016-17	18th Annual General Meeting		NIL

(c) Special Resolutions passed through Postal Ballot during the Financial Year 2017-18: NIL.

(d) Person who conducted the postal ballot exercise: Not applicable

(e) Special resolution to be conducted by way of postal ballot: The Company does not envisage any special resolution to be conducted by way of postal ballot. However this is subject to any other contingencies or event that may happen in near future.

(f) Procedure for postal ballot: The Company follows the procedure laid down in Companies Act, 2013 and rules and LODR in respect of the Postal ballot by providing both postal ballot forms and e-voting option to the Shareholders.

## 8. Means of Communication

(a) Quarterly Results: The Board of Directors of the Company adopts the un-audited financial results in the prescribed format within 45 days of the Close of every quarter and disseminates the results to the Stock exchanges where the Company's shares are listed. In case of the last quarter, the Board of Directors considers and adopts the annual audited financial results within 60 days from the end of the respective financial year and disseminates the same to the Stock exchanges where the Company's shares are listed.

(b) Newspapers wherein results are normally published: The Consolidated quarterly / Annual financial results are published within 48 hours normally in the newspapers Viz., Financial Express, Business Standard, Trinity Mirror (English) and Makkal Kural (Tamil) with a note that the standalone quarterly/ Annual financial results are posted on the Company's website.

(c) Any website, where displayed: Standalone and Consolidated Financial results are available on the website of the Company [www.saksoft.com](http://www.saksoft.com) under Investors relations, NSE [www.nseindia.com](http://www.nseindia.com) and BSE [www.bseindia.com](http://www.bseindia.com)

(d) Whether it also displays official news releases: Yes, official news releases are displayed on the website of the Company. Web-link is given under point 17 of this report.

(e) Presentations made to institutional investors or to the analysts: Pursuant to Regulation 30(6) of LODR, the details of schedule of Analyst/ Institutional investor meeting with the Company is communicated to the Stock exchanges and gist of discussions or presentations made are also placed on the website of the Company. Web link is given under point 17 of this Report.

## 9. General Shareholder Information:

Particulars	Details
(a) Annual General Meeting	Date: 10th August, 2018 Time: 10.30 A.M Venue : P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.
(b) Financial Year	The financial year of the Company is 1st April to 31st March
Periodical results	Tentative details of the financial calendar for the year are as under
Results for I Quarter ending 30th June 2018	Second week of August 2018
Results for II Quarter ending 30th September 2018	Last week of October 2018
Results for III Quarter ending 31st December 2018	First week of February 2018
Results for the year ending 31st March 2019	Last week of May 2019
Book Closure Date	3rd August, 2018 to 10th August, 2018 (both days inclusive)
(c) Dividend Payment Date	Between 17th August, 2018 and 31st August, 2018
(d) Name and address of the each Stock Exchange(s) at which the listed entities securities are listed and confirmation payment of annual listing fee to each of Stock Exchange(s)	<p>The Equity shares of the Company are listed at: National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and</p> <p>Shares are permitted to be traded under the permitted trading category in: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.</p> <p>The annual listing fee as prescribed by the NSE has been paid within the prescribed time limit and listing fee is not applicable in BSE Ltd, as the Company is under permitted trading category in BSE Limited.</p>
(e) Stock Code	NSE Stock code : SAKSOFT EQ BSE (under permitted trading category) - Stock code : 590051
DEMAT ISIN Number in NSDL and CDSL for Equity Shares.	ISIN : INE667G01015

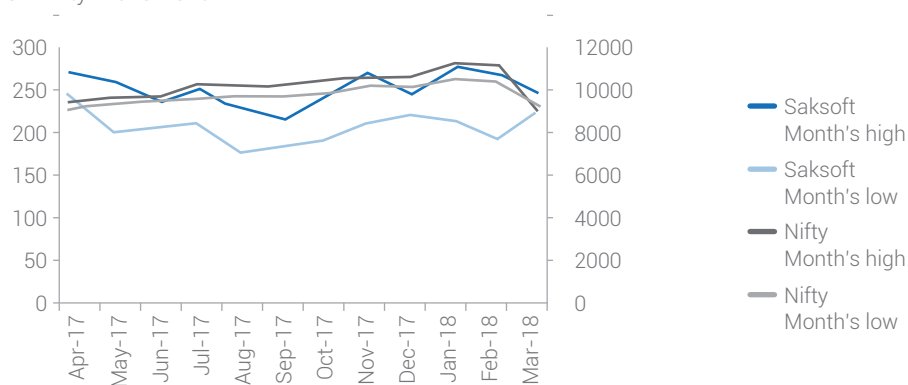


(f) Market Price data high, low during each month in the last financial year:

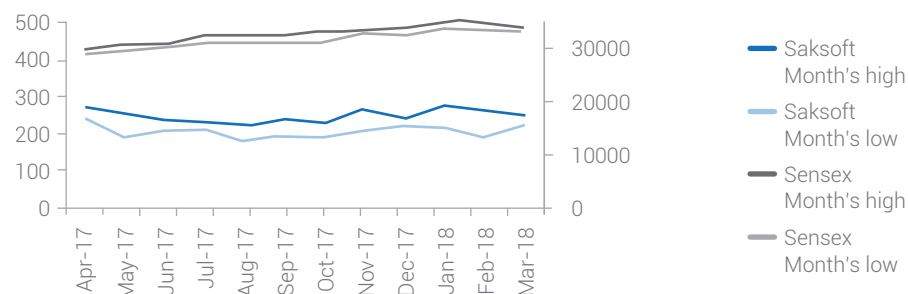
Name	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price Low	Saksoft Price High	Nifty Price Low	Nifty Price High	Saksoft Price Low	Saksoft Price High	Sensex Price Low	Sensex Price High
April 2017	242.25	267.80	9075.15	9367.15	245.00	270.00	29241.48	30184.22
May 2017	199.00	259.40	9269.90	9649.60	190.00	256.40	29804.12	31255.28
June 2017	207.35	240.00	9448.75	9709.30	211.00	241.20	30680.66	31522.87
July 2017	210.50	248.00	9543.55	10114.85	211.00	232.95	31017.11	32672.66
August 2017	175.05	228.00	9685.55	10137.85	185.00	226.95	31128.02	32686.48
September 2017	181.30	213.30	9687.55	10178.95	186.40	237.00	31081.83	32524.11
October 2017	193.00	239.80	9831.05	10384.50	193.50	235.00	31440.48	33340.17
November 2017	210.15	266.50	10094.00	10490.45	210.00	267.00	32683.59	33865.95
December 2017	220.35	244.80	10033.35	10552.40	223.35	249.00	32565.16	34137.97
January 2018	215.00	273.65	10404.65	11171.55	216.00	276.00	33703.37	36443.98
February 2018	192.00	266.90	10276.30	11117.35	193.00	267.50	33482.81	36256.83
March 2018	222.00	250.00	9951.90	10525.50	221.00	251.00	32991.14	34278.63

(g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;

Saksoft Share Price Vs NSE Nifty movement



Saksoft Share Price Vs BSE Sensex movement



h) In case the Securities are suspended from trading, the Directors report shall explain the reason thereof: Not applicable.

(i) Registrar and Transfer Agents (RTA)

Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road, Chennai - 600 002  
Tel: +91-44-28460390, Fax: +91 - 44 - 2846 0129  
Email: investor@cameoindia.com; Web-site: www.cameoindia.com

(j) Share Transfer System: The Company's shares are traded in the Stock Exchange(s) compulsorily in DEMAT mode. Pursuant to the directives issued by the Securities and Exchange Board of India, the share transfers, both physical and demat are handled by our share transfer agents, M/s Cameo Corporate Services Limited, Chennai. Shares in physical mode which are lodged for transfer either with the Company or with the share transfer agents are processed subject to the exercise of option under Compulsory Transfer cum demat procedure.

(k) Distribution of shareholding as on 31st March 2018:

Shareholding (Rs.)	Shareholders		Shares Amount	
	Number	%	Rs.	%
Upto 10 - 5000	4193	89.61	3693260	3.53
5001-10000	218	4.66	1760580	1.68
10001- 20000	124	2.65	1923900	1.84
20001-30000	41	0.88	1057610	1.00
30001-40000	23	0.49	817270	0.78
40001-50000	15	0.32	714800	0.68
50001-100000	30	0.64	2144770	2.05
100001 and above	35	0.75	92637810	88.44
<b>Total</b>	<b>4679</b>	<b>100</b>	<b>104750000</b>	<b>100</b>

(l) Dematerialization of Shares and liquidity

As at 31.03.2018, 99.91% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange of India Limited and BSE Limited under permitted trading category.

(m) Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable.

(n) Commodity Price risk or foreign exchange risk and hedging activities:

(Amt in million)

Eligible limit under past performance	Aggregate amount of contracts booked with all the Ads from April 2017 – March 2018	Amount of contracts cancelled with all Ads from April 2017- March 2018	Amount utilized (by delivery of documents) from April 2017-March 2018	Amount of contracts o/s with all Ads as on 31st March 2018	Available limits under past performance as on 31st March 2018
Export	USD 1.30 GBP 0.40	NIL	USD 1.75 GBP 0.375	USD 0.90 GBP 0.025	USD 4.23
Import	NIL	NIL	NIL	NIL	NIL

(o) Office Location/Delivery Centre:

<p>Saksoft Limited          Reg off: SP Infocity, Block A,          2nd Floor, 40, MGR Salai,          Perungudi, Kandanchavadi,          Chennai – 600 096.          Ph: 044- 2454 3500          Fax: +91-44- 2454 3510</p> <p>Development Centre:          B 35 – 36, Sector 80, Phase II          (Near Moserbaer)          Noida – 201305.          Phone : + 91 120 428 6231 33</p>	<p>Saksoft Inc.,          Suite 1240,          30 Montgomery Street,          Jersey City, NJ 07302.          P. +1 201 451 4609/4612          F. +1 212 504 8026</p> <p>10 S Riverside Plaza Suite 1800          Chicago, IL 60606          Phone : +1 312 474-6155</p>	<p>Saksoft Pte Limited          10 Jalan Besar          #10-12 Sim Lim Tower          Singapore – 208787          P. +65 6224 2550          F. +65 6224 2783</p>
<p>Saksoft Solutions Limited          (Previously known as Saksoft          Investments Pvt Ltd) and          Acuma Solutions Limited</p> <p>Applicon House,          Exchange Street, Stockport,          United Kingdom, SK3 0EY</p> <p>P:+44-8707894321          F:+44-8707894002</p>	<p>Electronic Data Professionals Inc.,          3070, Bristol Pike, BLDG 2          Suite 107          Bensalem, PA 19020          Phone: +1 215-639-0304          Fax: +1 866-876-9151</p>	<p>Threesixty Logica Testing Services          Private Limited</p> <p>Reg.off: SP Infocity, Block A,          2nd Floor, 40, MGR Salai,          Perungudi, Kadanchavadi,          Chennai – 600 096.          Ph : 044 – 2454 3500</p> <p>Corp off: B 35 – 36 Sector 80,          Phase II (Near Moserbaer)          Noida, UP 201305 India          Phone: +91-0120-4878300</p>
<p>Threesixty Logica Testing Services Inc.          640 W California Ave,          Suite 210 Sunnyvale          CA 94086 (USA)          Phone: +1 925 271-2558</p>	<p>DreamOrbit Softech Private Limited          Ascend-19, 2nd Floor, 1st Cross,          17th C Main, 5th Block,          Koramangala, Bangalore – 560 095          Phone: 91-80-40989881</p>	<p>DreamOrbit, Inc.,          2711, Centerville Road,          Suite 400, Wilmington,          Delaware -19808          Phone : +1 302-907-9068</p>
<p>Faichi Solutions          640 W. California Ave          Sunnyvale, CA 94086          Phone: +1(408)-769-4941</p> <p>504, Accord IT Park, Baner Road,          Pune – 411045. Maharashtra.          Phone: +91 – 20 - 65291435</p>		

(p) Address for Correspondence:

Saksoft Limited  
 SP Infocity, Block A, 2nd Floor,  
 40, MGR Salai, Perungudi,  
 Kandanchavadi, Chennai - 600 096.  
 Ph: +91-44-24543500, Fax: +91-44-24543510

## 10. Other Disclosures:

- a) Disclosure on material significant related party transactions that may have potential conflict with the interests of listed entity at large: There were no material significant related party transactions during the financial year 2017-18 without the consent of the Shareholders.
- (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: There have been no instances of non-compliances by the Company. Hence there are no penalties, strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company.
- (c) details of establishment of vigil mechanism, whistle blower policy and affirmations that no personnel has been denied access to the Audit Committee: The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee. Web link of the whistle blower policy is given under point 17 of this report.
- (d) details of compliance with mandatory requirements and adoption of the non- mandatory requirements: The Company has complied with the applicable mandatory requirements of LODR. Disclosure regarding non-mandatory requirements covered under point 12 of this report.
- (e) web link where policy for determining material subsidiaries is disclosed: Given under point 17 of this report.
- (f) web link where policy on dealing with related party transactions is disclosed: Given under point 17 of this report.
- (g) disclosure for commodity price risks and commodity hedging activities: Not applicable.

### (h) Risk Management

The management of the Company present before the Board at regular intervals about risk assessment and minimization procedures. The Board of Directors from time to time discuss on the risk management plan and its implementation. As the requirements of Regulation 21 of LODR is applicable only to the TOP 100 listed Companies, for the time being the Company is not required to constitute risk management Committee as prescribed thereunder.

### (i) Vigil Mechanism/ Whistle Blower policy

The Company has framed the whistle Blower policy to report genuine concerns. The Policy provides adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism. The Policy also provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. Web link of the policy is given under point 17 of this report. During the year under review there are no incidents/ issues reported.

### (j) Related Party Transactions

The Company in compliance with Regulation 23 of LODR has formulated a policy on materiality of related party transactions and on dealing with related party transactions. All related party transactions were placed before the audit Committee for its prior approval.

Audit committee considers the criteria such as ordinary course of business and arms' length pricing before granting the omnibus approval in respect of transaction which are repetitive in nature. The Audit Committee reviews on a quarterly basis, the details of related party transactions entered by the Company pursuant to the omnibus approval given.

Though the Company has received prior approval for entering into material related party transactions, during the financial year 2017-18, there were no material related party transactions entered.

### (k) Corporate governance requirements with respect to Subsidiary

The Company does not have any unlisted material Subsidiary Company, incorporated in India. The Company has formulated a policy for determining material subsidiary and the web link of the same is given under point 17 of this report. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries were placed at the meeting of the Board of Directors of the Company. During the financial year 2017-18, there were no significant transactions and arrangements entered into by the unlisted subsidiaries.

## **11. Non-Compliance for any Requirement of Corporate Governance Report of sub para (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with the applicable mandatory requirements of LODR and there have been no instances of non-compliances by the Company.

## **12. The Corporate Governance Report shall also disclose the extent to which the discretionary requirements as specified in part E of Schedule II have been adopted:**

As part of the discretionary requirements the Company has adopted the following:

### **A. Modified opinion(s) in audit report**

By adhering to the Statutory and Compliance requirements in letter and spirit, the Company has always been maintaining unmodified audit opinion with respect to its financial statements.

### **B. Reporting of Internal Auditor**

The Internal Auditors report directly to the Audit Committee.

## **13. The Disclosure of the Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of the Sub-Regulation (2) of regulation 46 shall be made in the Section on Corporate Governance of the Annual Report**

Disclosed under the relevant headings in the report.

## **14. Declaration signed by the Chief Executive Officer Stating that the members of Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of conduct of Board of Directors and Senior Management.**

In accordance with SEBI (LODR) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year ended 31st March, 2018.

## **15. Compliance Certificate from either the Auditors or practicing Company Secretaries regarding compliance of conditions of Corporate Governance shall be annexed with the Directors' Report**

Given as Annexure 8 of this report.

## **16. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:**

The Listed entity shall disclose the following details in its Annual Report, as long as there are shares in the Demat Suspense Account or Unclaimed Suspense Account, as applicable:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL
- (c) number of shareholders to whom shares were transferred from suspense account during the year: NIL
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

Pursuant to MCA notification dated 13.10.2017 and the Circular No. 11/06/2017-IEPF dated 16.10.2017, the Company has transferred 870 equity shares to IEPF Authority in respect of which no dividend has been claimed for the financial year from



2008-2009 till 2014-2015 in terms of Section 126 of the Companies Act, 2013 by way of execution of corporate action form with both Depositories.

## 17. Website

In Compliance with Regulation 46 of LODR, the Company has been maintaining a functional website containing the basic information about the Company and the host of other information as required to be placed on the website under the said regulation which are as follows:

Particulars	Weblink
Terms and conditions of appointment of independent directors;	<a href="http://www.saksoft.com/company/investor-relations">http://www.saksoft.com/ company/investor-relations</a>
Composition of various committees of board of directors	
Code of conduct of board of directors and senior management personnel;	
Details of establishment of vigil mechanism/ Whistle Blower policy	
Policy on dealing with related party transactions;	
Policy for determining 'material' subsidiaries	
Details of familiarization programmes imparted to independent directors	
The email address for grievance redressal and other relevant details	
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;	
Financial information and Annual report	
Shareholding pattern	
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;	
Corporate Social Responsibility Policy	
Board Diversity Policy	

The Company ensures that the contents of the website are correct and the updates any changes in the content within 2 working days from the date of such change in content.

## ANNEXURE-8

### Auditor's Certificate on Corporate Governance

To  
the Members of  
**Saksoft Limited**

We have examined the compliance of conditions of Corporate Governance by Saksoft Limited ('the Company') for the year ended 31st March 2018, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai  
Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

## ANNEXURE-9

### Management discussion and analysis

#### Global economy overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US\$54.13 per barrel at the beginning of the year, declining to a low of US\$46.78 per barrel in June 2017 and closing the year at US\$61.02 per barrel, the highest since 2013.

#### Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

Source: World Economic Outlook, January 2018] e: estimated f: forecasted

A review of the key global economies is provided below:

**The US:** The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US\$1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2 in 2017 despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

**Euro zone:** This region experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. Unemployment declined to 8.8% in October 2017, the lowest since January 2009.

#### Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries

experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

#### Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio .

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US\$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

## Estimation for the FY2017-18 Vs FY 2016-17

	2017-18*	2016-17
GDP growth	6.6%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and Gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, Defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

\*Estimated

Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287>

## Outlook

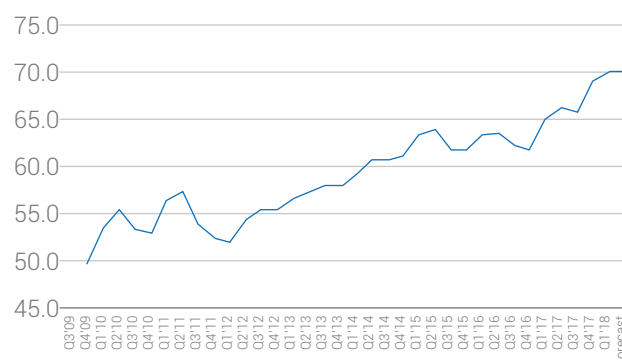
The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

## Global IT sector overview

The global information technology industry surpassed US\$ 4.5 trillion in revenues in 2017. The US is the largest tech market in the world, accounting for 31% of the total revenues, or ~US\$ 1.5 trillion for 2018. In aggregate terms, the Asia Pacific region accounts for one-third of the global IT spending. A vast majority of technology spending stems from purchases made by corporate or governmental entities. A smaller portion comes from household spending, including home-based businesses. With the blurring of work and personal lives, especially in the small business space, along with the shadow IT phenomenon, it is now

difficult to classify certain types of technology purchases as being solely for business or solely for consumer. Breaking the IT market into its components, the traditional categories of hardware, software and services account for 53% of the total. The other core category, telecom services, accounts for 30%. The remaining 17% covers various emerging technologies that either don't fit into one of the traditional buckets or span multiple categories, which is the case for many emerging as-a-service solutions that include elements of hardware, software and IoT offerings. During CY2017, the IT Industry Business Confidence Index crossed the 70-point threshold for the first-time ever during Q4. Tech hardware is beginning to show some signs of life, with computer equipment offtake increasing by 2.6% in 2017 and communications equipment offtake edging higher by 3.1%. (Source: IDC, Forrester)

## IT Industry Business Confidence Index



## Regional distribution of IT spending in global IT market

Region	Share (%)
North America	33
Asia-pacific	33
Europe	22
South America	7
Africa	5

## Opportunities for growth

- Improving economies would drive the global tech market expansion. 2017 saw the global economy return to normality from the political and economic surprises that shook the markets in 2016, contributing to better economic growth. This relative stability would encourage businesses and governments to be more aggressive in their tech spending plans in 2018.
- Cloud will grow rapidly, but the related slowdown in spending on on-premises technology will dampen overall growth. Spending on Cloud applications and Cloud platform services would grow at double-digit rates. However, this growth is not accretive, but cannibalises spending on traditional software, hardware, and tech services. In categories like business applications, where Cloud subscription revenues now exceed license revenues, growth could approach 10% in 2018. In categories like middleware software, systems integration services or tech outsourcing, Cloud is not yet a large enough portion of overall spending to offset the single-digit growth in traditional categories.
- The US and six other countries could report tech market growth at or above 4% in 2017. China, India, Indonesia, South Korea, Sweden, Denmark and the US were positioned to end 2017 with robust growth. Brazil and Russia could lag peers as both countries emerge from recessions.

- Back-office technology will narrow the gap with business technology. Spending on CRM, e-commerce, customer analytics, and other technologies that help firms win serve, and retain will rise to 28% of total global tech spending, and will represent over half of new project spending. However, the growth in spending on the front-office systems is starting to drive investments to change back-office technologies to support new systems, with the resulting growth starting to pick up in 2018.

(Source: Forbes)

## Areas of concern

- Cyber security: While Cloud and mobile devices are essential components of any company's digital transformation, they do present a significant cyber security risk. New technologies like AI-powered bots and robotic process automation are beginning to play an increasingly important cyber security role.
- Regulatory environment: Technology companies face a host of regulatory challenges, ranging from privacy and security to taxation and data sovereignty. The power of the regulators is undeniable – their impact can literally be catalytic or catastrophic for businesses.

(Source: Deloitte)

## Outlook

Worldwide IT spending is projected at total US\$3.7 trillion in 2018, an increase of 4.3% from the 2017 estimated spending of US\$3.5 trillion. Enterprise software and IT services continue to exhibit strong growth, with communications services continuing to drive the majority of spending. Software spending is projected to grow by 9.4% in 2018 to total US\$387 billion. Software and tech consulting services spending could see the strongest growth, with spending in both categories increasing by >6% in 2018. Spending on outsourcing and telecom services could see slower growth of 2.2% in 2018.

(Source: Gartner)

## Worldwide IT spending forecast

	2017 spending (US\$ billion)	2017 Growth (%)	2018 spending (US\$ billion)	2018 Growth (%)
Data centre systems	173	1.7	176	1.8
Enterprise software	354	8.5	387	9.4
Devices	664	5.3	697	5.0
IT services	931	4.0	980	5.3
Communications services	1,387	0.9	1,417	2.2
Overall IT	3,508	3.3	3,658	4.3

(Source: Gartner)

### Something interesting!

- There could be ~20 billion devices connected to the IoT by 2020.
- IoT product and service suppliers will generate >US\$300 billion in revenues.

## Big data –stats and facts

- Global IP traffic from data centres in 2018 – 10.6 zettabytes
- Global big data and business analytics revenues in 2017 – US\$ 150.8 billion
- 29% of developers globally said they were currently involved in a big data or advanced analytics project
- In 2017, big data and business analytics generated US\$ 150.8 billion worldwide growing from US\$ 130.1 billion dollars in 2016.
- Between 2015 and 2020, the market for non-relational analytics data stores is projected to grow at a CAGR of 38.6%.
- By 2018 demand for skilled big data analysts will go up to ~440,000 jobs

(Source: Statista)

## Indian IT and BPM sector overview

India's IT – BPM industry accounts for 56% of the global outsourcing market size and the largest private sector employer in India – delivering 3.7 million jobs. Total IT industry revenue (excluding hardware) was estimated to be ~US\$ 152 billion in FY2017-18 compared to US\$ 154 billion in FY2016-17. The sector continued to record double-digit growth despite static growth in global tech spending. The Indian IT industry's cost-competitiveness and qualitative excellence have been instrumental in transforming the perception of India in the global economy. This is reflected in India's high market share in the global services sourcing industry which stands at 56%, the highest in the world. India's IT-BPM sector grew to US\$140 billion, registering a growth of 8% over FY2016-17. However, IT-related export percentage, compared to 2006, came down by 1%, from 68% to 67%. IT-BPM export revenues grew by 7.6% to reach US\$116 billion from US\$108 billion. To promote this sector, many initiatives have been taken, which include the establishment of BPO Promotion and Common Services Centres to help create digital inclusion and equitable growth and provide employment to 1.45 lac people, mostly in small towns, setting up a separate North East BPO Promotion

Scheme with 5,000 seats and an employment potential of 15,000 people and preparing the draft Open Data Protection Policy. Besides, long-term initiatives like Digital India, Make in India, Smart Cities, e-governance, Skill India and Start-up India will continue driving India towards a cashless economy and rekindling innovational growth.

(Source: Economic Survey, NASSCOM)

## Sectoral composition

### Breakup of Indian IT market in FY2017 (US\$ billion)

IT services	80
Business process management	29
Software products and engineering services	29
Hardware	14

### Breakup of export revenues in FY2017 (in %)

IT services	54.4
Business process management	22.2
Software products and engineering services	21.4

## Growth drivers

- Thrust on digitisation: India successfully established itself as a digital economy with 375+ million internet subscribers. India's domestic IT-BPM market has been growing at an impressive CAGR of 14%. Internet is now closer than ever to the masses. Projects like 'Smart Cities' (which will have IT driven systems to deliver urban utilities) coupled with schemes like National Digital Literacy Mission and e-kranti will continue the wave of digitisation- a significant boost to the sector in India. The 'Digital India' campaign has put India on the path of becoming a digital economy and outlook for future seems promising. IT megaprojects such as nationwide broadband highways, universal mobile access and public internet access program are in the pipeline under the Digital India initiative. The Digital India initiative will create around half million direct or indirect jobs.
- Growing digital payments in India: According to a report on digital payments in India, total payments via digital instruments are expected to touch \$500 billion by 2020 from \$ 50 billion in 2016.
- Optical fibre roll out: The Rs. 30,000-crore NOFN project, which involves laying of about 600,000 kilometres of optical fibre cable, is a part of Central Government's Digital



India initiative. The project seeks to link all the 250,000 gram panchayats across 631 districts through an optical fibre network, providing high-speed internet connectivity with a minimum bandwidth of 100 megabits per second.

- Tech startups driving growth: India's startup revolution will benefit verticals such as IoT, machine learning, AI and healthcare technology. In the BPM segment, growth will be fuelled by emerging fields such as Cloud, mobility and advanced analytics. By 2020, the SMAC market, which is helping attract new customers is projected to reach US\$ 225 billion by 2020. India's digital workforce comprises 50,000 employees skilled in analytics, 30,000 people in enterprise mobility and 50,000 in Cloud and social media.
- Digital skills hub: The strength of India's IT sector lies in the skillsets of its people. India has been able retain global leadership in digital skills with US\$ 1.6 billion being spent annually on training. Indian IT firms have been making steady innovations in tech-dependent areas such as education and healthcare.

## Governmental initiatives

- The Government of India is exploring opportunities such as providing BPO services in the realms of healthcare and agriculture to achieve the target of making India a US\$ 1 trillion digital economy.
- The Government of Andhra Pradesh is targeting to attract investments worth US\$ 2 billion and create 100,000 jobs in the IT sector in the state.
- The Government of Telangana is targeting to provide broadband connection to every household in the state by 2018, which is expected to lead to revolutionary changes in the education and healthcare sectors.
- The Government of India launched project DARPAN for achieving financial inclusion among the country's unbanked rural population.
- The Government of India is planning to set up Wi-Fi facilities across ~5.5 lac villages by March 2019 at an estimated investment of US\$ 555 million and expects to start broadband services with about 1 megabit per second speeds across 1 lac gram panchayats.

## Budgetary allocations

The budgetary allocation of Rs 3,073 crore (US\$ 483.09 million) for the Digital India programme made for FY2018-19 is a pointer in the right direction

- The Union Budget 2017-18 allocated Rs10,000 crore towards Bharat Net to expedite the project of connecting rural areas with high speed internet.
- The budget has allocated Rs 2,500 crore benefits for UPI-based payments and other digital payments. It is an indicator of the growth of the segment of financial technologies in India with a steady growth in demand for services of mobile banking, social media banking and mobile app store optimisation services based on aggressive content distribution strategies, web development and mobile development services for the BFSI vertical.
- Acknowledging, the digitally-enabled tech entrepreneurs, the Central Government extended 100% deductions to eligible startups set up by April 1, 2021 from the earlier date of 1 April 2019 with turnover <Rs. 25 crore.

## Digital infrastructure creation in rural India

The Union Budget of 2018 focuses on the creation of digital infrastructure in rural India. Wider and faster internet connectivity is an imperative to taking the digital transformation of the economy to the remotest corners of the economy and unleashing untapped value.

- The Bharat Net project is being implemented by the Department of Telecommunications to create network infrastructure for providing 100 megabits per second speed broadband across ~250,000 gram panchayats in the country in a phased manner by end-2018.
- 250,000 villages have got optical fibre connectivity under Bharat Net program.
- 100,000 gram panchayats have been connected with high-speed optic fibre network in the first phase of BharatNet
- The Central Government will work towards connecting another 150,000 villages under Bharat Net initiative in the coming financial year.
- The Central Government will now scale it by providing 500,000 Wi-Fi hotspots in rural areas to provide easy internet access to 50 million Indians.

- The DigiGaon initiative shall be launched to provide telemedicine, education, and skillset enhancement facilities through digital technology.

## Challenges

- Increased oversight on work visa regime in countries like the US, competition from new players in Eastern Europe and lack of skilled manpower in digital technologies.
- The tug-of-war between market ideologies (protectionist rhetoric versus free-market intent) points to the need for India's IT-BPM industry to become far more competitive and skilled.
- Lack of adequate infrastructure limits growth of e-commerce beyond Tier-1 and II cities

## Opportunities

- The Indian IT and BPM industry added >US\$ 13 billion in revenues while exports grew at a rate of 7.8%
- The US tax reforms make America a far more attractive place for investment than it has been in the past two decades. It also imposes a tax on import (into the US) of services if rendered by related parties.
- The domestic market is the fastest-growing tech-market in the Asia Pacific with a growth rate of >11% during FY2016-17.
- By 2025, the Indian IT and BPM sector's revenues are estimated to reach US\$ 350 billion.

- India is the leading off-shoring destination for IT companies in the world. The sector is the largest exporter of the country with US\$ 116 billion in exports and ~US\$ 38 billion in terms of domestic revenues.

## Outlook

Notwithstanding global headwinds and uncertainties, the IT and BPO segment is projected to grow at a rate of ~9% during FY2018-19 compared to 7.8% during FY2017-18. Export revenues are estimated to reach US\$137 billion dollars during FY2018-19 compared to US\$126 billion dollars during FY2017-18. The industry is expecting to add 11lac jobs during the ongoing fiscal whereas the overall IT-BPO industry size would be adding ~US\$16 billion in revenues. With Niti Aayog, the Central Government's policy think tank being mandated to lead the charge on Digital India, the technology sector can look at more initiatives in the near future. The long-term trend for India is to pursue a 'low-rate, broad-base' business tax strategy. With India having to respond to the twin pressures of BEPS constraints and US tax reforms, extending 100% deduction to startups set up till March 31, 2021 is a welcome incentive for the technology sector. Over US\$ 480 million has been allotted solely for Digital India programmes with no output and deliverables mentioned. As part of the outcome, the funding aims to transform India into a digitally empowered society and knowledge economy. Inclusive progress in three dimensions namely digital infrastructure as a utility to citizens, governance and services on demand and digital empowerment of citizens. (Source: NASSCOM)

## ANNEXURE-10

### Managing risks at Saksoft

Saksoft's success over the year lies in effective risk management. The key risks associated with the core business are identified and effectively by the risk management team and are mitigated through scale, spread, product portfolio and segmental presence among others.

Rigorous and consistent risk management is embedded across the Company through our robust risk management framework, comprising our systems of governance, our risk management processes and risk preferences.

Risk management framework of the company



Key risks identified	Mitigation measures
<b>Industry slowdown</b> A slowdown in the demand from the user industry.	This is an external risk associated with our company. We are consistently widening our reach and entering new business segments to reduce dependence on any single user or industry segment
<b>Intellectual property risk</b> A violation of the intellectual properties could severely impact business sustainability	The Company has taken stringent measures about protecting the intellectual properties. The team is regularly updated about the IP rights and the protection measures for them
<b>Compliance risk</b> Any non-compliance to the norms could attract fines/penalties from the regulatory bodies	The Company has a strong Board ensuring organizational transparency. It has created strong corporate governance policies to ensure compliance to all the regulatory norms
<b>Acquisition risk</b> The Company's acquisitions may not be successful and dent the Company's long-term growth	Over the last few years, the Company has made a number of acquisitions which helped in strengthening products, presence and revenues
<b>Customer service risk</b> Inability to deliver solutions timely and successfully could lead to customer attrition	The Company has strong domain expertise with a robust team located across its delivery centres, working consistently to deliver complex solutions to its customers.
<b>Human capital risk</b> Attrition of human capital could impact long-term sustainability	Saksoft takes adequate measures to train, motivate and upgrade skills of its employees. The Company offers industry-best remuneration structure to its employees with a well chalked-out career progression plan to create stickiness in the organisation
<b>Finance risk</b> Inability fund growth could impact business in the long-term	At Saksoft, the Company is consistently working on a asset-light model to reduce stress on the balance sheet. The Company generates ample cash from the existing business which is ploughed back as a funding source for growth. The Company consistently monitors its working capital.

# Independent Auditor's Report

To  
 the Members of  
**SAKSOFT LIMITED**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Saksoft Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone financial statements, are based on the previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 dated 26th May 2017 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 (a) to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Place: Chennai  
Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

Simpson's Buildings  
Post Box No.335  
861, Anna Salai, Chennai - 600 002  
Phone: 28413633 / 28583494, Telefax: 28544569  
E-Mail: price@vsnl.com  
Offices at: Mumbai, Ernakulam, Quilon,  
Calicut, Bangalore, New Delhi

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date to the members of Saksoft Limited on the Standalone Financial Statements of the Company for the year ended 31st March 2018)

- I
  - a. The Company has maintained proper records for its fixed assets showing full particulars including quantitative details and situation of those assets.
  - b. The Company has a policy of physically verifying its fixed assets once in two years which in our opinion is reasonable having regard to the size of the Company and its business. The Company has physically verified the fixed assets in the current year and no material discrepancies were noticed on such verification.
  - c. According to information and explanations given to us and on the basis of examination of records of the Company, there are no immovable properties held in the name of the Company.
- II In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business / activities during the year, clause (ii) of paragraph 3 of the Order relating to inventories is not applicable to the company.
- III The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- IV In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments made and the Company has not granted any loans to Directors nor has granted any loan or guarantee or security to any company, body corporate or to any person.
- V The Company has not accepted any deposits and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- VI Having regard to the nature of the Company's business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- VII
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Service tax, Customs Duty, Excise Duty, value added tax, cess and other statutory dues applicable to it. There are no arrears of undisputed statutory dues outstanding as at 31st March 2018 for a period of more than six months from the date they became payable

- b. There are no dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute as at 31st March 2018, except for an amount of 506.18 lakhs as detailed below:

Name of the Statute	Nature of the dues	Amount unpaid (₹ in lakhs)	Period to which the amount relates to	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	86.14	A.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax	65.61	A.Y. 2010-11	DCIT
Income Tax Act, 1961	Income Tax	0.91	A.Y. 2011-12	DCIT
Income Tax Act, 1961	TDS dues	52.42	Various financial years	Assessing Officer
The Finance Act, 1994	Service tax dues	301.10	October 2004 to March 2009	CESTAT, Chennai



- VIII According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from financial institutions and banks. The Company has not issued any debentures.
- IX The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loan of Rs 30 Million obtained from a related party during the year was applied for the purpose for which the same was intended to.
- X During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither observed any instance of fraud by the Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.
- XI Managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII The Company is not a Nidhi Company and hence, Clause 3(xii) of the Order is not applicable.
- XIII Transactions with related parties have been disclosed in the standalone financial statements with details as required by Ind AS 24 "Related Party Transactions". These transactions are in compliance with Section 177 and 188 of the Act.
- XIV The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai  
Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

Simpson's Buildings  
Post Box No.335  
861, Anna Salai, Chennai - 600 002  
Phone: 28413633 / 28583494, Telefax: 28544569  
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Calicut, Bangalore, New Delhi

## Annexure B to the Independent Auditors' Report

(Referred to in Clause (f) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31st March 2018)

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **Saksoft Limited** ('the Company') as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note'34) and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

According to the information and explanations given to us and based on our audit, the Company has in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Chennai  
 Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

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 861, Anna Salai, Chennai - 600 002  
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 Calicut, Bangalore, New Delhi

# Balance Sheet

as at 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Balance As at 31-03-2018	Balance As at 31-03-2017	Balance As at 01-04-2016
<b>I. ASSETS</b>				
<b>1. Non-Current Assets</b>				
a Property, plant and equipment	3	13.59	14.53	14.93
b Other Intangible assets	4	1.75	2.46	1.89
c Financial Assets				
(i) Investments	5.1	1,053.72	992.81	771.68
(ii) Loans	5.2	0.27	0.27	0.27
(iii) Others	5.3	12.74	0.28	5.99
d Deferred Tax Assets (net)	6	9.68	12.04	13.30
e Other non-current assets	7	0.19	0.52	-
<b>2. Current Assets</b>				
a Financial Assets				
(i) Investments	8.1	-	-	27.05
(ii) Trade and other receivables	8.2	134.93	92.04	123.62
(iii) Cash and cash equivalents	8.3	2.43	3.15	28.25
(iv) Loans	8.4	0.55	0.53	1.29
(v) Others	8.5	4.87	14.27	12.41
b Current Tax Assets (Net of provisions)		19.36	17.04	11.19
c Other Current Assets	9	16.02	14.42	13.62
<b>TOTAL ASSETS</b>		<b>1,270.10</b>	<b>1,164.36</b>	<b>1,025.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>II. EQUITY</b>				
a Equity Share capital	10	104.75	104.55	103.95
b Other equity	11	672.77	617.83	576.95
<b>III. LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
a Financial liabilities				
(i) Borrowings	12.1	315.67	346.18	255.12
b Provisions	13	8.90	5.03	4.20
<b>2. Current liabilities</b>				
a Financial liabilities				
(i) Borrowings	14.1	44.16	-	-
(ii) Trade payables	14.2	34.07	17.00	17.54
(iii) Other financial liabilities	14.3	62.62	53.50	40.87
b Other current liabilities	15	22.59	18.30	23.77
c Provisions	16	4.57	1.97	3.09
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,270.10</b>	<b>1,164.36</b>	<b>1,025.49</b>

See accompanying Notes to Standalone financial statements  
Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Aditya Krishna**  
Chairman & Managing Director  
DIN: 00031345

**Ajit Thomas**  
Director  
DIN: 00018691

**Mahesh Krishnan**  
Partner  
Membership No: 206520

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

Date: May 30, 2018  
Place: Chennai

## Statement of Profit and Loss for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations		576.66	506.76
Other Income	18	70.77	26.50
<b>Total income</b>		<b>647.43</b>	<b>533.26</b>
<b>Expenses:</b>			
Employee benefits expense	19	332.97	259.57
Finance costs	20	44.98	38.06
Depreciation and amortization expense		7.45	7.67
Support / Third party charges		44.35	31.45
Other expenses	21	97.73	109.62
Total expenses		527.48	446.37
<b>Profit before Tax</b>		<b>119.95</b>	<b>86.89</b>
<b>Tax expense:</b>			
Current Tax	17	26.70	25.95
Income Tax Provision (Reversal ) for earlier year	17	-	(1.64)
Deferred Tax	17	2.17	1.28
<b>Profit / (Loss) for the period</b>		<b>91.08</b>	<b>61.30</b>
<b>Other Comprehensive Income, Net of Deferred Tax</b>			
A. (i) Items that will not be reclassified to Statement to Profit or Loss - Remeasurement of defined benefit plan (net of taxes)		0.21	0.35
B. (i) Items that will be reclassified to Statement to Profit & Loss - Changes in fair value of derivative instrument (net of taxes)		(5.32)	2.56
<b>Total Other comprehensive Income for the year</b>		<b>(5.11)</b>	<b>2.91</b>
<b>Total Comprehensive Income for the year</b>		<b>85.97</b>	<b>64.21</b>
<b>Total Profit attributable to Equity Shareholders</b>		<b>91.08</b>	<b>61.30</b>
Earnings per equity share of Rs 10 each	22		
(1) Basic		8.70	6.20
(2) Diluted		8.63	5.77

See accompanying Notes to Standalone financial statements  
 Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN: 00031345

**Ajit Thomas**  
*Director*  
 DIN: 00018691

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

**S. Muthukrishnan**  
*Company Secretary*

Date: May 30, 2018  
 Place: Chennai

## Statement of Cash Flow for the period April 2017 to March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	119.95	86.89
Adjustments for:		
Depreciation & amortisation	7.45	7.67
Expenses on employee stock based compensation	1.20	5.95
(Profit)/Loss on sale of Investments and fixed assets	(0.67)	(0.01)
Allowance for doubtful debts	-	1.45
Write back of Provision for diminution in the value of investments no longer required	-	(0.40)
Loss of liquidation of subsidiary	-	1.41
Interest and other Income	(0.41)	(0.41)
Dividend Income	(58.98)	(22.33)
Interest and Finance charges	44.91	38.05
Unrealised foreign exchange loss/ (gain) , net including Bank Balances	(0.37)	1.81
Net actuarial gain / loss on defined benefit plan	0.32	0.35
<b>Operating Profit before Working Capital / Other Changes</b>	<b>113.40</b>	<b>120.43</b>
(Increase) / Decrease in Trade receivables	(42.51)	28.20
(Increase) / Decrease in Other Assets	(9.46)	5.89
Increase / (Decrease) in Trade Payables	17.06	(0.44)
Increase / (Decrease) in Other liabilities	0.37	(1.55)
Increase / (Decrease) in Provisions	10.40	(4.21)
<b>Cash Generated From Operations</b>	<b>89.26</b>	<b>148.32</b>
Income tax paid	(29.15)	(30.16)
<b>Net Cash Flow from Operating Activities</b>	<b>60.11</b>	<b>118.16</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(5.71)	(7.39)
Proceeds from sale of Property, Plant and Equipment	0.67	0.83
Purchase of Intangible assets	(0.13)	(1.28)
Interest and other Income	0.41	0.02
Sale / (Purchase) of Current Investments , (net)	-	27.05
Sale / (Purchase) of Non current Investments , (net)	(60.91)	(222.15)
Payment towards acquisition of business		
Dividend income Received	58.98	22.33
<b>Net Cash Used in Investing Activities</b>	<b>(6.69)</b>	<b>(180.59)</b>

## Statement of Cash Flow for the period April 2017 to March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	22.78	103.69
Interest and Finance charges	(44.91)	(37.66)
Proceeds from allotment of shares	1.37	2.65
Dividend paid (including Dividend Distribution Tax)	(33.38)	(31.35)
<b>Net Cash Used in Financing Activities</b>	<b>(54.14)</b>	<b>37.33</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>(0.72)</b>	<b>(25.10)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>3.15</b>	<b>28.25</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>2.43</b>	<b>3.15</b>
<b>Note:</b>		
a. The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015. Figures in brackets represent cash outflow		
<b>b. Cash and Cash Equivalents comprise of:</b>		
Balance with Schedule banks in current accounts	2.40	3.10
Bank Deposits with maturity less than 3 months		
Cash and Cheques on Hand and in-transit	0.03	0.05
<b>Total</b>	<b>2.43</b>	<b>3.15</b>

The notes form an integral part of the Statement of Cash Flow

This is the Statement of Cash Flow referred to in our Report of even date.

**For R.G.N. Price & Co.,**  
 Chartered Accountants  
 Firm Registration No: 002785S

**Aditya Krishna**  
 Chairman & Managing Director  
 DIN: 00031345

**Ajit Thomas**  
 Director  
 DIN: 00018691

**Mahesh Krishnan**  
 Partner  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
 Chief Financial Officer

**S. Muthukrishnan**  
 Company Secretary

Date: May 30, 2018  
 Place: Chennai



# Statement of changes in equity

for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## (a) Equity Share Capital

Balance as at 1st April 2016	103.95
Add: Shares issued on exercise of employee stock options	0.60
Balance as at 31st March 2017	104.55
Balance as at 1st April 2017	104.55
Add: Shares issued on exercise of employee stock options	0.20
Balance as at 31st March 2018	104.75

## (b) Other Equity

Particulars	Reserves and Surplus			Retained earnings	Items of Other Comprehensive Income		Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve		Derivative financial instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
Balance as at 1st April 2016	0.21	46.44	86.42	9.09	431.53	3.26	576.95
Profit for the year	-	-	-	-	61.30	-	61.30
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	0.35	2.91
Issue of equity shares	-	-	2.06	-	-	-	2.06
Cost related to employee share based payments	-	-	-	5.96	-	-	5.96
Cash Dividends	-	-	-	-	(31.19)	-	(31.19)
Dividend Distribution Tax	-	-	-	-	(0.16)	-	(0.16)
Balance as at 31st March 2017	0.21	46.44	88.48	15.05	461.48	0.35	617.83
Balance as at 1st April 2017	0.21	46.44	88.48	15.05	461.48	0.35	617.83
Profit for the year	-	-	-	-	91.08	-	91.08
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	(5.32)	(5.11)
Issue of equity shares	-	-	1.70	-	-	-	1.70
Transferred to Securities Premium reserve	-	-	-	(0.55)	-	-	(0.55)
Cost related to employee share based payments	-	-	-	1.20	-	-	1.20
Cash Dividends	-	-	-	-	(31.36)	-	(31.36)
Dividend Distribution Tax	-	-	-	-	(2.02)	-	(2.02)
Balance as at 31st March 2018	0.21	46.44	90.18	15.70	519.18	0.56	672.77

See accompanying Notes to Standalone financial statements  
Vide our report of even date attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 0027865

Aditya Krishna  
Chairman & Managing Director  
DIN: 00031345

Ajit Thomas  
Director  
DIN: 00018691

Mahesh Krishnan  
Partner  
Membership No: 206520

Niraj Kumar Ganeriwal  
Chief Financial Officer

S. Muthukrishnan  
Company Secretary

Date: May 30, 2018  
Place: Chennai

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### c) Reconciliation:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at 1st April 2016
- equity as at 31st March 2017
- total comprehensive income for the year ended 31st March 2017, and
- explanation to material adjustments to Cash Flow Statements

Effect of Ind AS Adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016

Particulars	As at 31st March 2017				As at 1st April 2016			
	Amount as per Previous GAAP	Effects of transition to Ind AS		Amount as per Ind AS	Amount as per Previous GAAP	Effects of transition to Ind AS		Amount as per Ind AS
		Reclassifications	Adjustments			Reclassifications	Adjustments	
<b>ASSETS</b>								
<b>(1) Non-current assets</b>								
(a) Property, Plant and Equipment	14.53	-	-	14.53	14.93	-	-	14.93
(b) Other Intangible assets	2.46	-	-	2.46	1.89	-	-	1.89
(c) Financial Assets								
(i) Investments	992.81	-	-	992.81	771.68	-	-	771.68
(iii) Loans	-	0.27	-	0.27	-	0.27	-	0.27
(iv) Others	6.83	(6.16)	(0.39)	0.28	8.72	(2.34)	(0.39)	5.99
(d) Deferred tax assets (net)	12.52	0.07	(0.55)	12.04	14.43	0.07	(1.20)	13.30
(e) Other non-current assets	-	0.52	-	0.52	-	-	-	-
<b>(2) Current assets</b>								
(b) Financial Assets								
(i) Investments	-	-	-	-	27.05	-	-	27.05
(ii) Trade receivables	91.76	0.28	-	92.04	123.34	0.28	-	123.62
(iii) Cash and cash equivalents	3.41	(0.26)	-	3.15	28.45	(0.20)	-	28.25
(iv) Bank balances other than (iii) above	-	-	-	-	-	-	-	-
(v) Loans	-	0.53	-	0.53	-	1.29	-	1.29
(vi) Others	32.57	(24.51)	6.21	14.27	26.13	(17.37)	3.65	12.41
(c) Current Tax Assets (Net)	-	17.04	-	17.04	-	11.19	-	11.19
(d) Other current assets	1.92	12.50	-	14.42	6.49	7.13	-	13.62
<b>TOTAL ASSETS</b>	<b>1,158.81</b>	<b>0.28</b>	<b>5.27</b>	<b>1,164.36</b>	<b>1,023.11</b>	<b>0.32</b>	<b>2.06</b>	<b>1,025.49</b>
<b>EQUITY AND LIABILITIES</b>								
<b>EQUITY</b>								
(a) Equity Share Capital	104.55	-	-	104.55	103.95	-	-	103.95
(b) Other Equity	610.90	-	6.93	617.83	540.09	-	36.86	576.95
<b>Total Equity</b>	<b>715.45</b>	<b>-</b>	<b>6.93</b>	<b>722.38</b>	<b>644.04</b>	<b>-</b>	<b>36.87</b>	<b>680.90</b>
<b>LIABILITIES</b>								
<b>(1) Non-current liabilities</b>								
(a) Financial Liabilities								
(i) Borrowings	346.18	-	-	346.18	255.12	-	-	255.12
(b) Provisions	5.03	-	-	5.03	5.85	-	(1.65)	4.20
<b>(2) Current Liabilities</b>								
(a) Financial Liabilities								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	17.68	(0.68)	-	17.00	17.49	0.05	-	17.54
(iii) Other financial liabilities	-	53.50	-	53.50	-	40.87	-	40.87
(b) Other current liabilities	63.08	(44.78)	-	18.30	51.97	(28.20)	-	23.77
(c) Provisions	11.38	(7.76)	(1.65)	1.97	48.62	(12.38)	(33.15)	3.09
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,158.81</b>	<b>0.28</b>	<b>5.27</b>	<b>1,164.36</b>	<b>1,023.11</b>	<b>0.32</b>	<b>2.06</b>	<b>1,025.49</b>

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (i) Equity reconciliation

Particulars	Note	As at 31st March 2017	As at 1st April 2016
Equity under Previous GAAP		715.42	644.03
Proposed dividend and tax thereon	1	-	31.35
Effects of fair valuation of derivative instruments	2	5.82	3.26
Others	3	1.14	2.26
<b>Equity as per Ind AS</b>		<b>722.38</b>	<b>680.90</b>

### (ii) Total Comprehensive Income reconciliation

Particulars	Note	As at 31st March 2017
Net Income as per Previous GAAP		68.73
Effects of reversal of rent straight lining provision (Net of deferred taxes)	3	(1.16)
Employee Benefit Expenses - Cost of employee stock options / Actuarial gain / loss of defined benefit plans	4, 5	(6.27)
<b>Profit for the year under Ind AS</b>		<b>61.30</b>
Other Comprehensive Income	2, 4	2.91
<b>Total Comprehensive Income under Ind AS</b>		<b>64.21</b>

(iii) There are no significant reconciling items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Notes:

- Under Ind AS, the liability for dividend is recognized in the period in which the obligation to pay is established. Under Previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earnings is higher.
- Under Ind AS, derivative instruments are recognized at fair value through Other Comprehensive Income (FVTOCI) at each reporting period with changes in fair value recognized directly in Other Comprehensive Income. Under Previous GAAP, only premium or discount on the derivative contracts were recognized in the Statement of Profit and Loss over the period of the derivative instrument. Consequently there has been a gain in the Other Comprehensive Income.

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

3. Under Ind AS lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term only when the the payments to the lessor are structured not to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or there are no another systematic basis is more representative of the time pattern of the user's benefit. Under Previous GAAP, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Consequently the increase in lease payments were in line with the general inflation and hence did not require straight lining of rental expenses and the Provision in the books towards accounting of Rent Straight Lining has been reversed resulting in increase in rental expenses for the previous year and reversal of Provision for rent straight lining in the books.
4. Under Previous GAAP, actuarial gains and losses were recognized in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of the remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive Income.
5. Under Ind AS, the Compensation cost of employee share based payments needs to be measured based on the grant-date fair value of the equity instruments issued. Under Previous GAAP, Cost of employee share based payment had the option to be measures based on the grant date fair value or intrinsic value of the equity instruments issued. Consequently the expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN: 00031345

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

Date: May 30, 2018  
 Place: Chennai

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Company Overview and Significant Accounting Policies

#### 1. Company Overview

Saksoft Limited('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tami Nadu, India.

The Company is primarily engaged in providing Information technology services, viz; Business Intelligence, Testing, Digital, Cloud, Mobility, IoT, Big Data& Software Solutions across Industries and Verticals. Saksoft provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. The Company provides the entire gamut of software solutions including IM Strategy, Consulting, Design, Custom Application development, RaaMS, BI & DW Services, Systems integration, Implementation, Assurance and Placement services.

The financial statements were authorized for issue by the Company's Board of Directors on 30th May 2018.

#### 2. Significant accounting policies

##### a. Basis of preparation of financial statements

The financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The financial statements for all periods upto the year ended 31st March 2017 were prepared and presented in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013(Indian GAAP) read with the Companies (Accounting Standards) Rules 2006 and other relevant provisions of the Act / Rules.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 22 (I) for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### b. Basis of measurement

The financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value
- iii. Share based payments; and
- iv. Defined benefit plans and other long-term employee benefits

##### c. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the financial statements is included in the following notes:

##### Revenue Recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Employee Benefits

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

### Other estimates

The Company estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the company's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

### d. Revenue recognition

The Company derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable. Revenue disclosed is net of discounts and excludes Goods and services tax. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity. The Company recognizes revenue when the significant terms of arrangement are enforceable, services have been rendered and the collectability is reasonably assured. Recognition criteria for various types of contracts are as follows:

#### Time and Material Contracts:

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

#### Fixed-Price Contracts:

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis.

#### Annual Maintenance Contract:

Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.

#### Sale of products:

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unbilled revenue represent earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for



## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

whom no services have been rendered are presented as "Advance from customers".

### Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the

Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

## e. Property, Plant & Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is provided over the economic useful life determined by technical evaluation. The useful lives of those assets are as under:

Description	Useful Lives (in years)
Plant and machinery	5
Furniture and fixtures	5
Vehicles	5
Electrical installations	5

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013*

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. Cost and related accumulated depreciation are eliminated from the financial statements upon sale of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment out standing at each Balance Sheet Date is classified as capital advances under other non-current assets.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### f. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

### g. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of fair value or present value of the minimum lease payments at the inception of lease term and disclosed as leased assets. Assets under finance lease are depreciated over the economic useful life or lease term, whichever is less.

The lease payments, net of finance charges, are adjusted against borrowings / other financial liabilities and allocated between lease liability and finance charges.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. Only those leases which have escalations more than the expected general inflation are straight lined.

### h. Impairment

#### Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in

use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

#### Financial assets

**Receivables:** The Company follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

**Other financial assets:** For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### i. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current.

- Non-current investments in subsidiaries, associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

### j. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

#### Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

#### Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/(losses).

### k. Non-derivative financial instruments

#### INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

#### SUBSEQUENT MEASUREMENT:

##### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

### Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### Fair value hierarchy:

The company's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## I. Foreign Currency Translation

### Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

### Foreign currency Transactions and Balances

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign - currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### m. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### n. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### o. Employee benefits

#### Defined Contribution Plans

The Company pays Provident Fund contributions payable to the recognized provident fund. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

#### Defined Benefit Plans

The company provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company as per the provisions of the Payment of Gratuity Act, 1972. The Company makes contributions to a fund administered and

managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

#### Other short term Employee Benefits

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Share-based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on company's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

## p. Taxation

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

### Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### Deferred Income Tax

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax income liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws enacted or substantively enacted at the reporting date.

## q. Earnings per share

Basic earnings per share ('EPS') amounts are computed by dividing the net profit or loss after tax, for the year, by the weighted average number of shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.

The shares issued to the Saksoft Employees Welfare Trust have been considered as outstanding for Basic EPS purposes. For diluted EPS purpose, the shares, which are not yet eligible for exercise, have also been considered as outstanding to the extent these shares are dilutive.



## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### r. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

### s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the statement of profit and loss in the period in which they are incurred.

### t. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

### u. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its present value and

are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### v. Recent accounting pronouncements

#### Ind AS 115 - Revenue from contracts with customers

The above Ind AS, notified by the Ministry of Corporate Affairs on 28th March 2018, will be effective from 1st April 2018, and consequently Ind AS 11 – Construction Contracts and Ind AS 18 – Revenue will stand withdrawn from that date. Revenue recognition under the new standard underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged. While stipulating recognition of contract asset/liability under specific circumstances, the standard prescribes for elaborate disclosures including reconciliation between contract price and revenue recognised.

The Company will adopt the standard with effect from 1st April 2018 with cumulative effect of retrospective application recognised as transitional adjustments in retained earnings. However, in the opinion of the management, the effect on adoption of Ind AS 115, if any, is not expected to be material.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 3. Property, Plant and Equipment

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fittings	Motor Vehicles Owned	Motor Vehicles Leased	Total
<b>Gross carrying value</b>									
At April 1, 2016	10.36	25.16	39.74	9.00	10.01	16.47	3.47	2.83	117.04
Additions	-	-	4.19	0.51	0.02	0.08	-	2.59	7.39
Disposals / adjustments	-	-	-	0.14	-	-	-	2.45	2.59
At March 31, 2017	10.36	25.16	43.93	9.37	10.03	16.55	3.47	2.97	121.84
At April 1, 2017	10.36	25.16	43.93	9.37	10.03	16.55	3.47	2.97	121.84
Additions	0.06	-	3.35	0.35	0.15	1.75	0.05	-	5.71
Disposals / adjustments	-	-	0.28	0.01	-	0.08	3.30	1.32	4.99
At March 31, 2018	10.42	25.16	47.00	9.71	10.18	18.22	0.22	1.65	122.56
<b>Accumulated depreciation</b>									
At April 1, 2016	10.36	25.16	35.07	5.35	7.12	14.35	2.53	2.17	102.11
Depreciation expense	-	-	2.99	1.25	0.61	0.51	0.70	0.90	6.96
Disposals / adjustments	-	-	-	0.14	-	-	-	1.62	1.76
At March 31, 2017	10.36	25.16	38.06	6.46	7.73	14.86	3.23	1.45	107.31
At April 1, 2017	10.36	25.16	38.06	6.46	7.73	14.86	3.23	1.45	107.31
Depreciation expense	-	-	3.42	1.11	0.64	0.54	0.20	0.70	6.61
Disposals / adjustments	-	-	0.27	0.01	-	0.07	3.30	1.30	4.95
At March 31, 2018	10.36	25.16	41.21	7.56	8.37	15.33	0.13	0.85	108.97
Net carrying value March 31, 2018	0.06	0.00	5.79	2.15	1.81	2.89	0.09	0.80	13.59
Net carrying value March 31, 2017	0.00	0.00	5.87	2.91	2.30	1.69	0.24	1.52	14.53
Net carrying value April 1, 2016	-	-	4.67	3.65	2.89	2.12	0.94	0.66	14.93

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 4. Other intangible assets

Particulars	Intellectual property	Computer Software	Total
Gross carrying value			
At April 1, 2016	4.50	22.76	27.26
Additions	-	1.28	1.28
Disposals / adjustments	-	-	-
At March 31, 2017	4.50	24.04	28.54
At April 1, 2017	4.50	24.04	28.54
Additions	-	0.13	0.13
Disposals / adjustments	-	-	-
At March 31, 2018	4.50	24.17	28.67
Accumulated amortization			
At April 1, 2016	4.50	20.87	25.37
Amortisation expense	-	0.71	0.71
Disposals / adjustments	-	-	-
At March 31, 2017	4.50	21.58	26.08
At April 1, 2017	4.50	21.58	26.08
Amortisation expense	-	0.84	0.84
Disposals / adjustments	-	-	-
At March 31, 2018	4.50	22.42	26.92
Net carrying value March 31, 2018	-	1.75	1.75
Net carrying value March 31, 2017	-	2.46	2.46
Net carrying value April 1, 2016	-	1.89	1.89

## NON-CURRENT ASSETS

### 5.1 Financial assets - Non-current investment

Particulars	Face value (fully paid up)	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of shares / units	Cost	No. of shares / units	Cost	No. of shares / units	Cost
1) Investment in equity instruments (unquoted)							
In subsidiary companies							
Saksoft Inc, USA	USD 1	1,95,000	9.24	1,95,000	9.24	1,95,000	9.24
Saksoft Pte Limited, Singapore	SGD 1	5,55,002	19.17	5,55,002	19.17	5,55,002	19.17
Saksoft GmbH, Germany @	EUR 1	-	-	-	-	50,000	3.01
Less: Provision for Diminution in value of Investment	EUR 1	-	-	-	-	50,000	(3.01)
Saksoft Solutions Limited, United Kingdom	GBP 1	50,01,000	434.45	50,01,000	434.45	50,01,000	434.45
ThreeSixty Logica Testing Services Private Limited *	INR 10	10,000	389.68	7,600	302.69	5,100	206.67
Saksoft FR (France) @	EUR 1	-	-	-	-	50,000	4.26
DreamOrbit Softech Private Limited	INR 10	8,490	168.49	8,490	168.49	-	-
			1,021.03		934.04		673.79

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 5.1 Financial assets - Non-current investment (Contd.)

Particulars	Face value (fully paid up)	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of shares / units	Cost	No. of shares / units	Cost	No. of shares / units	Cost
2) Investment in preference shares (unquoted) In Subsidiary Company 5% redeemable preference shares Saksoft Solutions Limited (SSL), United Kingdom #	GBP 1	3,76,015	32.69	6,76,015	58.77	11,26,015	97.89
		3,76,015	32.69	6,76,015	58.77	11,26,015	97.89
Total			1,053.72		992.81		771.68
Aggregate amount of unquoted investments			1,053.72		992.81		771.68
Aggregate amount of impairment in value of investments			-		-		(3.01)

# 4,50,000 preference shares have been redeemed by SSL during the financial year 2016-17 and 3,00,000 shares have been redeemed by SSL during the financial year 2017-18

@ Saksoft GmbH, Germany and Saksoft FR (France) have been liquidated during the financial year 2016-17.

\* During the financial year 2017-18 the Company acquired 2400 shares of Threesixty Logica Testing Services Pvt. Ltd. making it a Wholly Owned Subsidiary

### 5.2. Financial assets - Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(unsecured and considered good)*			
Loan to related parties	0.27	0.27	0.27
	0.27	0.27	0.27

\* Related party balances are presented in Note no. 22 (c)

### 5.3. Financial assets - Others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposit	12.47	0.01	5.75
Bank deposits with more than 12 months maturity	0.27	0.27	0.24
	12.74	0.28	5.99

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 6. Deferred Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Arising from timing difference in respect of:			
Property, Plant and Equipment	6.61	3.32	9.71
Retirement Benefits	3.19	8.65	3.52
Derivative financial instruments - FVTOCI	(0.19)	-	-
MAT Credit	0.07	0.07	0.07
	<b>9.68</b>	<b>12.04</b>	<b>13.30</b>

### 7. Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	0.19	0.52	-
	<b>0.19</b>	<b>0.52</b>	<b>-</b>

## CURRENT ASSETS

### 8.1 Financial assets - Current investments

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares / units	Cost	No. of shares / units	Cost	No. of shares / units	Cost
Investment in Liquid Mutual Funds (non-traded, unquoted)						
Opening balance	-	-	-	27.05	-	-
Additions during the year	-	-	22,11,924	221.86	21,60,657	216.72
Deletions during the year	-	-	(24,81,599)	(248.91)	(18,90,982)	(189.67)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.05</b>
Aggregate fair value of unquoted investments		-		-		27.05
Aggregate amount of impairment in value of investments		-		-		-

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 8.2 Financial assets - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<i>(Unsecured, considered good)*</i>			
Considered good	134.93	92.04	123.62
Considered doubtful	-	1.45	-
Less: Allowance for doubtful debts	-	(1.45)	-
	<b>134.93</b>	<b>92.04</b>	<b>123.62</b>

\* Related party balances are presented in Note no. 22 ( c )

Movement in the expected credit loss allowance	For the year ended	
Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	1.45	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1.45)	1.45
<b>Provision at the end of the year</b>	<b>-</b>	<b>1.45</b>

### 8.3. Financial assets - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a. Cash on hand	0.03	0.05	0.10
b. Balances with banks in current accounts and deposit accounts	2.03	2.74	27.83
c. Other bank balances #	0.37	0.36	0.32
	<b>2.43</b>	<b>3.15</b>	<b>28.25</b>

# Other bank balances represent earmarked balances in respect of unclaimed dividends and dividend payable

### 8.4. Financial assets - Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<i>(unsecured, considered good)</i>			
Employee loans and advances	0.55	0.53	1.29
	<b>0.55</b>	<b>0.53</b>	<b>1.29</b>

### 8.5. Financial assets - Others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	1.26	6.54	2.70
Derivative assets - Forward Contract	0.70	5.82	3.26
Unbilled revenue	2.91	1.91	6.45
	<b>4.87</b>	<b>14.27</b>	<b>12.41</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 9. Others Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with statutory Authorities	10.00	11.23	10.80
Prepaid expenses	5.87	2.85	2.81
Advance to suppliers	0.15	0.34	0.01
	<b>16.02</b>	<b>14.42</b>	<b>13.62</b>

### 10. Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>			
<b>Authorised:</b>			
20,100,000 Equity Shares of Rs.10 each	201.00	201.00	201.00
<b>Issued &amp; Subscribed &amp; Fully Paid-up:</b>			
10,475,000 Equity Shares of Rs.10 each	104.75	104.55	103.95
(March 2017: 10,455,000 shares and April 2016 10,395,000 shares)			
<b>Total</b>	<b>104.75</b>	<b>104.55</b>	<b>103.95</b>
<b>(B) Reconciliation of number of equity shares</b>			
<b>Outstanding as at beginning of the year</b>	1,04,55,000	1,03,95,000	1,03,60,000
<b>Add: Shares allotted to employees pursuant to ESOP 2009</b>	20,000	60,000	35,000
<b>Outstanding as at the end of the year</b>	<b>1,04,75,000</b>	<b>1,04,55,000</b>	<b>1,03,95,000</b>

#### (C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

#### (D) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	23,18,640	22.13%	21,18,520	20.26%	23,23,070	22.35%
2	Sak Industries Private Limited	46,53,315	44.42%	45,54,550	43.56%	43,50,000	41.85%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%	5,42,460	5.22%
	<b>Total</b>	<b>75,04,415</b>	<b>71.64%</b>	<b>72,05,530</b>	<b>68.91%</b>	<b>72,15,530</b>	<b>69.42%</b>

#### (E) Shares reserved for issue under options and contracts [Refer Note - 22(h)]

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	185,000 Options (31st March 2017 : 3,75,000 / 31st March 2016 : 515,000 Options)	Employees	ESOP 2009



## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 11. Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>a) Capital reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	0.21	0.21	0.21
<b>b) Securities premium reserve</b> Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	90.18	88.48	86.42
<b>c) General reserve</b> This represents appropriation of profit by the Company.	46.44	46.44	46.44
<b>d) Retained earnings</b> Retained earnings comprise of the Company's undistributed earnings after taxes.	519.18	461.48	431.53
<b>e) Share option outstanding account</b> The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	15.70	15.05	9.09
<b>f) Derivative Financial Instruments through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.	0.50	5.82	3.26
<b>g) Other items of other comprehensive income</b> Other items of other comprehensive income consist of re-measurement of net defined liability/asset.	0.56	0.35	-
	<b>672.77</b>	<b>617.83</b>	<b>576.95</b>

## NON-CURRENT LIABILITIES

### 12.1 Financial liabilities - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term Loans From Bank - Secured</b> Secured by first pari passu charge on company's unencumbered movable fixed assets, second charge on all the current assets of the company and the personal guarantee of the Managing Director. <b>Repayment Terms:</b> Repayable in 12 Equal Quarterly installments commencing from March, 2016. Rate of interest - 9.90% linked to 3 months MCLR + 0.5% p.a Period and amount of continuing default: NIL	-	30.00	70.00
<b>Term Loans From Bank - Secured</b> Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.	65.39	75.00	-

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 12. Financial liabilities - Borrowings (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Repayment Terms:</b>			
Repayable in 16 Quarterly installments commencing from March, 2018.			
Rate of interest - 10.20% linked to banks one year MCLR			
Period and amount of continuing default: NIL			
<b>Dropline Overdraft From Bank - Secured</b>	5.00	25.33	-
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.			
<b>Repayment Terms:</b>			
Repayable in 7 Quarterly installments commencing from December 2017.			
Rate of interest - 10.20% linked to banks one year MCLR			
Period and amount of continuing default: NIL			
<b>Long Term Maturities Of Finance Lease Obligations</b>	0.28	0.85	0.12
Secured by hypothecation of cars taken on lease			
<b>Unsecured, From a related party</b>			
From Sak Industries Private Limited	245.00	215.00	185.00
<b>Repayment Terms:</b>			
The Loan is repayable by 30th September 2020.			
Rate of interest - Linked to S.B.I. Prime rate plus premium			
	<b>315.67</b>	<b>346.18</b>	<b>255.12</b>

### 13. Financial liabilities - Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee benefits			
Gratuity Payable (Net)*	8.90	5.03	4.20
	<b>8.90</b>	<b>5.03</b>	<b>4.20</b>

\* Refer Note 22 (d) for details of gratuity plan as per Ind AS 19

## CURRENT LIABILITIES

### 14.1 Financial liabilities - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Cash Credit From Bank - Secured</b>	44.16	-	-
Secured by pari passu charge on current assets and fixed assets of the Company and the personal guarantee of the Managing Director.			
Rate of interest - 10.20% linked to banks one year MCLR			
Period and amount of continuing default: NIL			
	<b>44.16</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 14.2. Financial liabilities - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables-Micro,small enterprises*	-	-	-
Trade payables - Others #	34.07	17.00	17.54
	<b>34.07</b>	<b>17.00</b>	<b>17.54</b>

# Related Party Balances are presented in Note no 22 (c)

\* Refer Note No. 22 (g)

### 14.3. Financial liabilities - Others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term loans*	59.17	52.50	40.00
Current maturities of finance lease obligations	0.57	0.64	0.55
Unclaimed Dividends	0.37	0.36	0.32
Liability towards acquisition of business	2.51	-	-
	<b>62.62</b>	<b>53.50</b>	<b>40.87</b>

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

### 15. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	2.61	3.24	4.05
Statutory dues	7.44	6.45	7.19
Others - Ascertained liabilities for expenses	12.54	8.61	12.53
	<b>22.59</b>	<b>18.30</b>	<b>23.77</b>

### 16. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	2.57	1.97	3.09
Provision for gratuity	2.00	-	-
	<b>4.57</b>	<b>1.97</b>	<b>3.09</b>

\* Refer Note 22 (d) for details of gratuity plan as per Ind AS 19

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 17. Income tax

Income tax expense in the statement of profit and loss consists of:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current income tax:</b>		
In respect of the current year	26.70	24.31
<b>Deferred tax:</b>		
In respect of the current year	2.17	1.28
Income tax expense recognised in the statement of profit or loss:	<b>28.87</b>	<b>25.59</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	0.11	-
Deferred tax arising on income and expense recognised in other comprehensive income	0.19	-
<b>Total</b>	<b>0.30</b>	<b>-</b>

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before tax (including taxable components of OCI)	120.27	86.89
Enacted income tax rate in India	33.06%	33.06%
<b>Computed expected tax expenses</b>	<b>39.76</b>	<b>28.73</b>
<b>Effect of:</b>		
Income that is exempt from tax	(9.92)	(4.06)
Income considered under other heads	-	0.01
Expenses that are not deductible in determining taxable profit	3.15	4.12
Income subject to different taxes	(5.31)	(1.82)
Disallowance under 14A	1.15	0.94
Depreciation allowance / disallowance under IT Act	0.04	(0.69)
Reversal of tax provisions of previous year	-	(1.64)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>28.87</b>	<b>25.59</b>

#### Calculation of Applicable Tax Rate:

Particulars	As at March 31, 2018	As at March 31, 2017
Basic tax rate	30.00%	30.00%
Surcharge @ 7%	2.10%	2.10%
Aggregate of tax and surcharge	32.10%	32.10%
Cess @ 3% on tax and Surcharge	0.96%	0.96%
<b>Tax Rate applicable</b>	<b>33.06%</b>	<b>33.06%</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 17. Income tax (Contd.)

#### Deferred tax assets / liabilities as at March 31, 2018

Particulars	As at April 1, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2018
Property, Plant and Equipment	8.65	(2.04)	-	-	6.61
Retirement and employee Benefits	3.32	(0.13)	-	-	3.19
Derivative financial instruments - FVTOCI	-	-	(0.19)	-	(0.19)
MAT Credit entitlement	0.07	-	-	-	0.07
<b>Total</b>	<b>12.04</b>	<b>(2.17)</b>	<b>(0.19)</b>	<b>-</b>	<b>9.68</b>

#### Deferred tax assets / liabilities as at March 31, 2017

Particulars	As at April 1, 2016	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2017
Property, Plant and Equipment	9.71	(1.06)	-	-	8.65
Retirement and employee Benefits	3.52	(0.20)	-	-	3.32
MAT Credit entitlement	0.07	-	-	-	0.07
<b>Total</b>	<b>13.30</b>	<b>(1.28)</b>	<b>-</b>	<b>-</b>	<b>12.04</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.111.65 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

### 18. Other Income

Income tax expense in the statement of profit and loss consists of:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>(A) Income from investments</b>		
Dividends	58.98	22.33
	<b>58.98</b>	<b>22.33</b>
<b>(B) Others</b>		
Exchange Fluctuation (net)	10.67	3.31
Interest income	0.02	0.02
Interest on fair valuation of security deposits	0.39	0.39
Provision for diminution no longer required written back	-	0.40
Profit on Sale of assets (fixed assets and investments)	0.67	0.01
Miscellaneous Receipts	0.04	0.04
	<b>11.79</b>	<b>4.17</b>
	<b>70.77</b>	<b>26.50</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 19. Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	293.59	222.85
Contribution to Provident and other funds	21.23	16.05
Share based compensation to employees	1.20	5.95
Staff Welfare Expenses	16.95	14.72
	<b>332.97</b>	<b>259.57</b>

### 20. Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense		
-On loans from banks	17.94	14.11
-On loans from a related party	25.63	21.02
-Others	0.39	0.39
Other borrowing cost	1.02	2.54
	<b>44.98</b>	<b>38.06</b>

### 21. Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	21.45	23.42
Travel and conveyance	25.97	33.39
Insurance	2.38	0.79
Rates and Taxes	0.36	0.37
CSR Expenditure	0.80	1.24
Power and Fuel	10.58	11.22
Repairs to Buildings	10.42	11.41
Repairs to Plant	2.89	2.74
Communication Expenses	5.17	5.31
Loss on liquidation of subsidiary	-	1.41
Bad debts written off	-	1.45
Payment to statutory auditors		
- As Auditors	1.31	0.80
- For Tax Audit	-	0.28
- For Certification	-	0.24
- For Taxation matters	-	0.20
- reimbursement of expenses	0.07	0.04
Legal, Professional and consultancy charges	13.20	11.86
Advertisement, Publicity and Sale Promotion	0.54	0.67
Miscellaneous expenses	2.59	2.78
	<b>97.73</b>	<b>109.62</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes

#### a. Contingent Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
1.Income-tax matters	34.62	29.72
2.Service-tax matters	39.01	32.61

The future cash outflows on items 1 & 2 above are determinable only on receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of these proceedings to have an adverse material effect on the financial results.

#### b. Finance lease obligations

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Future obligations for assets taken on lease</b>			
Not later than 1 year	0.65	0.77	0.63
Later than 1 year but not later than 5 years	0.29	0.94	0.13
	<b>0.94</b>	<b>1.71</b>	<b>0.76</b>
<b>Less: Amounts representing future interest</b>			
Not later than 1 year	0.07	0.14	0.07
Later than 1 year but not later than 5 years	0.01	0.08	-
	<b>0.08</b>	<b>0.22</b>	<b>0.07</b>
<b>Present value of minimum lease rentals</b>			
Not later than 1 year	0.57	0.63	0.56
Later than 1 year but not later than 5 years	0.28	0.86	0.13
	<b>0.85</b>	<b>1.49</b>	<b>0.69</b>

#### c. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Industries Inc Sak Abrasives Inc Sakserve Private Limited Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust Sak Industries Pte Ltd
Subsidiaries and step down subsidiaries and Joint Venture	Saksoft Inc, USA Saksoft Pte Ltd, Singapore Saksoft Solutions Limited, UK Acuma Solutions Limited, UK Acuma Software Limited, UK Electronic Data Professionals Inc, USA Saksoft FR SARL(Liquidated on 18.11.2016) Saksoft GmBH(Liquidated on 28.09.2016) ThreeSixtyLogica Testing Services Pvt Ltd, India ThreeSixtyLogica Testing Services Inc, USA DreamOrbit Softech Pvt Ltd, India DreamOrbit Inc, USA



## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

Key management personnel	Mr Aditya Krishna- CMD Mr Niraj Kumar Ganeriwal-CFO Mr Muthukrishnan- Company Secretary Ms Kanika Krishna - Director
Relatives of Key Managerial Personnel	Ms Avantika Krishna – Employee

#### Transactions entered during the year

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>Revenues</b>		
Acuma Solutions Limited, United Kingdom	51.15	54.47
Saksoft Inc, USA	323.06	303.81
Saksoft Pte Limited, Singapore	12.11	10.59
DreamOrbit Inc	3.36	-
Faichi Solutions inc	7.53	-
ThreeSixtyLogica Testing Services Pvt Ltd, India	18.00	-
<b>Dividend Income</b>		
Saksoft Inc, USA	28.98	-
ThreeSixtyLogica Testing Services Pvt Ltd, India	30.00	11.40
Saksoft Pte,Singapore	-	10.07
<b>Reimbursement of expenses (Net)</b>		
Saksoft Solutions Limited, United Kingdom	0.60	2.53
Acuma Solutions Limited, United Kingdom	0.44	0.18
Saksoft Inc, USA	6.91	1.50
Saksoft Pte Limited, Singapore	1.13	0.65
Sak Industries Pvt Ltd	0.67	0.65
ThreeSixty Logica Testing Services Pvt Ltd	2.28	1.99
<b>Rent Expense</b>		
Sak Industries Private Limited	6.85	6.84
<b>Dividend paid</b>		
Sak Industries Private Limited	13.66	13.66
Chairman and Managing Director	6.96	6.36
Chief Financial Officer	0.19	0.13
Saksoft employees welfare Trust	1.60	1.60
<b>Interest on loan</b>		
Sak Industries Private Limited	25.63	21.02
<b>Borrowings/(Repayment), net</b>		
Sak Industries Private Limited	30.00	30.00

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>Investment/(Redemption) made during the year</b>		
Investment in ThreeSixtyLogica Testing Services Pvt Ltd	87.65	96.02
Investment in DreamOrbit Softech India Pvt Ltd	-	168.49
Liquidation proceeds from Saksoft GmbH	-	0.40
Liquidation proceeds from Saksoft FR SARL	-	(2.86)
Redemption of 5% Redeemable Preference shares of Saksoft Solutions Limited, United Kingdom	(26.08)	(39.27)
<b>Remuneration of Key Managerial Personnels</b>	15.18	13.46
Non-Executive Director Commission	0.10	0.10
Non-Executive Director - Sitting Fees	0.12	0.13
<b>Shares allotted under ESOP (2009 scheme)</b>		
Chief Financial Officer	10,000	20,000
<b>Interest Free Loan</b>		
Chief Financial Office	-	(0.50)

#### Year end balances

Description	As at March 31, 2018	As at March 31, 2017
<b>Investments</b>		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft GmbH, Germany	-	-
Saksoft Solutions Limited, United Kingdom	434.45	434.45
Saksoft FR SARL, France	-	-
ThreeSixtyLogica Testing Services Pvt Ltd, India	389.68	302.69
Saksoft Solution Limited preference shares	32.69	58.77
DreamOrbit Softech Pvt Ltd	168.49	168.49
<b>Receivables</b>		
Acuma Solutions Limited, United Kingdom	3.34	16.58
Saksoft Inc, USA	58.09	48.01
Saksoft Pte Limited, Singapore	0.73	0.81
Faichi Solutions inc	7.51	-
Dreamorbit Inc	0.04	-
ThreeSixty Logica Testing Services Pvt Ltd, India	(0.02)	0.39
<b>Loans and advances</b>		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
<b>Borrowings</b>		
Sak Industries Private Limited	245.00	215.00
<b>Interest Free Loan</b>		
Chief Financial Officer	-	-

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

#### d. Gratuity

##### PROFIT & LOSS ACCOUNT EXPENSE:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended	
	31-Mar-18	31-Mar-17
Current service cost	3.73	2.97
Past service cost	2.25	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	0.22	0.21
(Gains) / losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>6.20</b>	<b>3.18</b>

##### FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended	
	31-Mar-18	31-Mar-17
Discount rate (p.a.)	7.45%	7.15%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

#### Amount Recorded in Other Comprehensive Income

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

Particulars	Period Ended	
	31-Mar-18	31-Mar-17
Opening amount recognized in OCI outside profit and loss account	(0.35)	-
Remeasurements during the period due to:		
Changes in financial assumptions	(0.44)	0.67
Changes in demographic assumptions	-	-
Experience adjustments	(0.05)	(1.10)
Actual return on plan assets less interest on plan assets	0.18	0.08
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>(0.66)</b>	<b>(0.35)</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

The following table sets out the status of the gratuity plan.

Particulars	Period Ended 31-Mar-18	Period Ended 31-Mar-17	Period Ended 01-Apr-16
Opening of defined benefit obligation	13.83	13.12	11.22
Current service cost	3.73	2.97	2.54
Past service cost	2.25	-	-
Interest on defined benefit obligation	0.91	0.94	1.03
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	(0.44)	0.67	(1.15)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(0.05)	(1.10)	
Benefits paid	(2.14)	(2.77)	(0.52)
Liabilities assumed / (settled)*	-	-	-
Liabilities extinguished on settlements	-	-	-
<b>Closing of defined benefit obligation</b>	<b>18.09</b>	<b>13.83</b>	<b>13.12</b>

Particulars	Period Ended 31-Mar-18	Period Ended 31-Mar-17	Period Ended 01-Apr-16
Opening fair value of plan assets	8.82	8.92	7.01
Employer contributions	-	2.00	2.00
Interest on plan assets	0.69	0.73	0.57
Administration expenses	-	-	-
Remeasurements due to:			
Actual return on plan assets less interest on plan assets	(0.18)	(0.07)	(0.14)
Benefits paid	(2.14)	(2.76)	(0.52)
Assets acquired / (settled)*	-	-	-
Assets distributed on settlements	-	-	-
<b>Closing fair value of plan assets</b>	<b>7.19</b>	<b>8.82</b>	<b>8.92</b>

#### Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Period Ended March 31, 2018	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.70)	0.66
Impact of decrease in 50 bps on DBO	0.75	(0.63)

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

#### e. Employee Stock option plans ('ESOP')

##### ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nomination and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.10 each represent shares held by the Trust. During the year no options have been granted under this plan.

The details of options granted under this ESOP 2006 plan are:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	27,500	44.25	37,500	44.25
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	(10,000)	44.25
Options forfeited during the year	-	-	-	-
Options lapsed during the year	(27,500)	44.25	-	-
Options outstanding at the end of the year	-	-	27,500	44.25
Options vested and exercisable at the end of the year	-	-	27,500	44.25

##### ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The plan considers an aggregate of 1,000,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee. The outstanding options available for exercise under the ESOP 2009 as on 31st March 2018 is 185,000 options, of which 75,000 options being unvested.

During the year, the Board of Directors have allotted 20,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of Rs.44.25 per option (10,000 equity shares) and on 8th July 2014 at a grant price of Rs.93.00 per option (10,000 equity shares) under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 30th October 2017 for 20000 shares. The paid up share capital of the Company after allotment of 20,000 equity shares stands at 10,475,000 Equity Shares as of 31st March 2018. During the year no options have been granted under this plan.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	3,75,000	151.64	5,15,000	129.00
Options granted during the year	-	-	1,05,000	221.89
Options exercised during the year	(20,000)	68.63	(60,000)	44.25
Options forfeited during the year	-	-	-	-
Options lapsed during the year	(1,70,000)	178.59	(1,85,000)	163.31
Options outstanding at the end of the year	1,85,000	135.85	3,75,000	151.64
Options vested and exercisable at the end of the year	1,10,000	133.18	1,05,000	125.01

#### f. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Earnings</b>		
Net profit for the year (Rs. In million)	91.08	61.30
<b>Shares</b>		
Equity shares as at the balance sheet date	10,475,000	10,455,000
Total number of equity shares the end of the year – Basic	10,475,000	10,455,000
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>10,463,329</b>	<b>98,82,924</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	10,475,000	10,416,945
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	72,907	201081
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,547,907</b>	<b>10,618,026</b>
<b>Earnings per share of par value Rs.10 – Basic (Rs.)</b>	<b>8.70</b>	<b>6.20</b>
<b>Earnings per share of par value Rs.10 –Diluted (Rs.)</b>	<b>8.63</b>	<b>5.77</b>

#### g. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act,2006('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	April 1, 2016
The principal amounts and interest due thereon, remaining unpaid to any supplier at the end of each accounting year			
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006			
The amount of payment made to the suppliers beyond the appointed day during each accounting year			
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006		NIL	
The amount of interest accrued remaining unpaid at the end of each accounting year			
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006			

#### h. Dividend

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2018, year ended March 31, 2017 and March 31, 2016 was Rs.3.50, Rs.3.00 and Rs.3.00 respectively

The Board of Directors at its meeting held on 26th May 2017 had recommended a dividend of 30% (Rs.3 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 7th August 2017. This has resulted in a cash flow of Rs.33.38 million (including dividend distribution tax of Rs.2.01 million).

The Board of Directors in its meeting held on 30th May 2018 have recommended a final dividend of Rs.3.50 per equity share of par value of Rs.10/- each which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately Rs.36.66 million plus applicable dividend distribution tax.

#### i. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity attributable to equity share holders of the Company	777.52	722.38	680.90
Current borrowings	103.90	53.14	40.55
Non-current borrowings	315.67	346.18	255.12
Total debt held by the Company	419.57	399.32	295.67
Total capital (Equity and Debt)	1,197.09	1,121.70	976.57
Equity as a percentage of total capital	65%	64%	70%
Debt as a percentage of total capital	35%	36%	30%



## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

#### j. Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	Balance as at March 31, 2018	Balance as at March 31, 2017	Balance as at April 1, 2016
<b>Financial Assets</b>			
<b>Amortized Cost</b>			
Investments	-	-	27.05
Trade and other receivables	134.93	92.04	123.62
Cash and cash equivalents	2.43	3.15	28.25
Bank balances other than (iii) above	-	-	-
Loans	0.82	0.80	1.56
Others financial assets	16.91	8.73	15.14
<b>FVTOCI</b>			
Derivative instruments in hedging relationship	0.70	5.82	3.26
<b>At Cost</b>			
Investments in subsidiaries, associates and joint ventures	1,053.72	992.81	771.68
<b>TOTAL ASSETS</b>	<b>1,209.51</b>	<b>1,103.35</b>	<b>970.50</b>
<b>Financial Liabilities</b>			
<b>Amortized Cost</b>			
Borrowings	359.83	346.18	255.12
Trade Payables	34.07	17.00	17.54
Other financial liabilities	62.62	53.50	40.87
<b>TOTAL LIABILITIES</b>	<b>456.52</b>	<b>416.68</b>	<b>313.53</b>

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, bank overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

#### Fair Value Measurement Hierarchy

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2018, March 31, 2017 and April 1, 2016 amounts to Rs.0.70 million, Rs.5.82 million and Rs.3.26 million respectively. There have been no transfers between Level 1 and Level 2 during the year.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

#### Foreign Exchange Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Foreign currency forward - USD/INR	0.75	5.71	3.26
Foreign currency forward - GBP/INR	(0.05)	0.11	-
	0.70	5.82	3.26

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Foreign currency forward - (USD in Million)	0.90	1.35	1.80
Foreign currency forward - (GBP in Million)	0.03	0.02	-

#### k. Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

#### Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

The maximum amount of exposure to credit was as follows:

Particulars	Balance as at March 31, 2018	Balance as at March 31, 2017	Balance as at April 1, 2016
Investments	1,053.72	992.81	798.73
Trade receivables	134.93	92.04	123.62
Cash and cash equivalents	2.43	3.15	28.25
Bank balances other than (iii) above	-	-	-
Loans	0.82	0.80	1.56
Other financial assets	17.61	14.55	18.40
<b>TOTAL</b>	<b>1,209.51</b>	<b>1,103.35</b>	<b>970.56</b>

#### Trade receivables:

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Movement in expected credit loss allowance / allowance for doubtful debts is as below:

Particulars	Balance as at March 31, 2018	Balance as at March 31, 2017
Balance at the beginning of the year	1.45	-
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1.45)	1.45
<b>Balance at the end of the year</b>	<b>-</b>	<b>1.45</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

#### Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2018</b>			
Borrowings	103.90	24.66	291.02
Trade Payables	34.07		
Other financial liabilities	2.87		
<b>As at March 31, 2017</b>			
Borrowings	53.14	60.50	285.67
Trade Payables	17.00	-	-
Other financial liabilities	0.37	-	-
<b>As at April 1, 2016</b>			
Borrowings	40.55	225.12	30.00
Trade Payables	17.54	-	-
Other financial liabilities	0.32	-	-

#### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)

Particulars	Balance As at March 31, 2018	Balance As at March 31, 2017	Balance As at April 1, 2016
Investments			
In US Dollars	0.20	0.20	0.20
In Singapore Dollars	0.56	0.56	0.56
In Pound Sterling	5.38	5.68	6.13
Cash and cash equivalents			
In US Dollars	-	-	0.28
In Pound Sterling	-	-	0.06
Trade receivables			
In US Dollars	1.01	0.74	1.12
In Singapore Dollars	0.01	0.01	-
In Pound Sterling	0.04	0.12	0.04
In Euro	0.49	0.20	0.14
Trade payables			
In Euro	0.13	0.03	0.03

#### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate.

### I. Transition to Ind AS

These standalone financial statements of Saksoft Limited for the year ended 31st March 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For the purposes of transition to Ind AS, using April 1, 2016 as the transition date, the Company has followed the guidance prescribed in Ind AS 101 – First time adoption of Indian Accounting Standards.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in Item C below. Exemptions on first time adoption of Ind AS availed with Ind AS 101 have been set out as below:

#### a) Exceptions from full retrospective application

Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP

#### b) Exemptions availed on first time adoption of Ind AS

Share-Based Payment:

The Company is encouraged, but not required, to apply Ind AS 102 Share-Based payment to equity instruments that vested before date of transition to Ind AS. The Company has elected to avail this exemption and therefore is exempted from fair valuation of equity instruments that vested before date of transition to Ind AS."

## Notes forming part of the Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 22. Additional notes (Contd.)

Investments in subsidiaries, joint ventures and associates:

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Property, Plant and Equipment:

The Company has elected to measure items of property, plant and equipment and intangible assets at cost.

#### m. Corporate Social Responsibility (CSR) Expenditure:

(a) Gross amount required to be spent by the company during the year - Rs.2.15 million

(b) Amount spent during the year on:

Particulars	Amount spent during the year	Amount to be spent	Total
(i) Construction/acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	0.80	1.35	2.15

#### n. Disclosure of provisions and contingencies as per Ind AS - 37

Particulars	(Rs in million)	
	Provision for leave encashment	Provision for Gratuity
Opening Balance as at 1st April 2016	3.09	4.20
Additional provision created during the year	0.70	2.83
Reversal / Payments during the year	1.82	2.00
Closing Balance as at 31st March 2017	1.97	5.03
Opening Balance as at 1st April 2017	1.97	5.03
Additional provision created during the year	2.03	5.87
Reversal / Payments during the year	1.43	-
Closing Balance as at 31st March 2018	2.57	10.90

Vide our report of even date attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 002785S

Aditya Krishna  
Chairman & Managing Director  
DIN: 00031345

Ajit Thomas  
Director  
DIN: 00018691

Mahesh Krishnan  
Partner  
Membership No: 206520

Niraj Kumar Ganeriwal  
Chief Financial Officer

S. Muthukrishnan  
Company Secretary

Date: May 30, 2018  
Place: Chennai

# Independent Auditor's Report

To  
 the Members of  
**SAKSOFT LIMITED**

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of **Saksoft Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding company as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2018 and its consolidated profits and comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## Other Matters

- (a) The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these consolidated financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 26th May 2017 and 27th May 2016 respectively, expressed unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.
- (b) We did not audit the financial statements / consolidated financial statements / financial information of five subsidiaries and a trust, whose financial statements

reflect total assets of Rs.530.99 million as at 31st March 2018, total revenues of Rs.2782.91 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 24 (a) to the consolidated Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Place: Chennai  
 Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

Simpson's Buildings  
 Post Box No.335  
 861, Anna Salai, Chennai - 600 002  
 Phone: 28413633 / 28583494, Telefax: 28544569  
 E-Mail: price@vsnl.com  
 Offices at: Mumbai, Ernakulam, Quilon,  
 Calicut, Bangalore, New Delhi

## Annexure B to the Independent Auditors' Report

(Referred to in Clause (f) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31st March 2018)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Saksoft Limited** ('the Holding Company') as of 31st March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective board of Directors of the Holding Company and its Indian Subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards of Auditing, to the extent applicable to an audit of internal financial controls,

both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

According to the information and explanations given to us and based on our audit, the Holding Company and its subsidiaries incorporated in India have in all material

respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our aforesaid reports under section 143(3) (i) of the Act, on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies incorporated in India are based on the reports of the respective auditors of those subsidiary companies.

Place: Chennai  
 Date: 30th May 2018

**R.G.N. Price & Co.**  
*Chartered Accountants*

Simpson's Buildings  
 Post Box No.335  
 861, Anna Salai, Chennai - 600 002  
 Phone: 28413633 / 28583494, Telefax: 28544569  
 E-Mail: price@vsnl.com  
 Offices at: Mumbai, Ernakulam, Quilon,  
 Calicut, Bangalore, New Delhi

# Balance Sheet

as at 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Balance As at 31-03-2018	Balance As at 31-03-2017	Balance As at 01-04-2016
<b>I. ASSETS</b>				
<b>1. Non-Current Assets</b>				
a Property, plant and equipment	3	26.03	33.68	21.43
b Goodwill on consolidation	4	1,421.12	1,220.83	1,232.94
c Other Intangible assets	4	46.44	18.70	2.84
d Financial Assets				
(i) Investments	5.1	-	1.10	-
(ii) Loans	5.2	0.03	0.27	0.27
(iii) Others	5.3	23.92	14.58	8.89
e Deferred Tax Assets (net)	6	10.91	3.01	15.53
f Other non-current assets	7	0.19	0.52	-
<b>2. Current Assets</b>				
a Financial Assets				
(i) Investments	8.1	-	-	27.05
(ii) Trade and other receivables	8.2	584.31	507.10	496.72
(iii) Cash and cash equivalents	8.3	300.20	223.11	200.45
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	8.4	1.98	3.04	5.80
(vi) Others	8.5	74.63	84.83	76.37
b Current Tax Assets (Net of provisions)		2.24	-	-
c Other Current Assets	9	136.84	127.61	176.59
<b>TOTAL ASSETS</b>		<b>2,628.84</b>	<b>2,238.38</b>	<b>2,264.88</b>
<b>EQUITY AND LIABILITIES</b>				
<b>II. EQUITY</b>				
a Equity Share capital	10	99.43	104.55	103.95
b Other equity	11	1,380.74	1,145.63	1,222.81
c Non-controlling interest		60.86	58.27	28.61
<b>III. LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
a Financial liabilities				
(i) Borrowings	12.1	380.49	410.90	321.22
(ii) Other financial liabilities	12.2	60.93	-	-
b Provisions	13	26.42	21.49	9.75
<b>2. Current liabilities</b>				
a Financial liabilities				
(i) Borrowings	14.1	44.19	8.00	3.19
(ii) Trade payables	14.2	286.26	220.98	216.10
(iii) Other financial liabilities	14.3	76.29	72.04	63.71
b Current Tax Liabilities (Net of advances)			1.35	19.84
c Other current liabilities	15	203.23	185.22	271.78
d Provisions	16	10.00	9.95	3.92
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,628.84</b>	<b>2,238.38</b>	<b>2,264.88</b>

See accompanying Notes to financial statements  
Vide our report of even date attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 002785S

Aditya Krishna  
Chairman & Managing Director  
DIN: 00031345

Ajit Thomas  
Director  
DIN: 00018691

Mahesh Krishnan  
Partner  
Membership No: 206520

Niraj Kumar Ganeriwal  
Chief Financial Officer

S. Muthukrishnan  
Company Secretary

Date: May 30, 2018  
Place: Chennai

## Statement of Profit and Loss for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations		2,858.70	2,595.03
Other Income	18	23.07	19.30
<b>Total income</b>		<b>2,881.77</b>	<b>2,614.33</b>
<b>Expenses:</b>			
Employee benefits expense	19	1,354.12	1,207.50
Finance costs	20	52.14	46.51
Depreciation and amortization expense	22	28.71	13.14
Support / Third party charges		752.59	703.83
Other expenses	21	356.02	354.58
<b>Total expenses</b>		<b>2,543.58</b>	<b>2,325.56</b>
<b>Profit before Tax</b>		<b>338.19</b>	<b>288.77</b>
<b>Tax expense:</b>			
Current Tax	17	102.02	84.58
Income Tax Provision (Reversal ) for earlier year	17	-	(1.64)
Deferred Tax	17	(7.92)	4.89
<b>Profit / (Loss) for the period</b>		<b>244.09</b>	<b>200.94</b>
<b>Other Comprehensive Income, Net of Taxes</b>			
A. Items that will not be reclassified to Statement to Profit or Loss			
Remeasurement of defined benefit plan		0.78	0.35
Excess consideration on acquisition on non-controlling interest		(60.62)	(76.03)
B. Items that will be reclassified to Statement to Profit & Loss			
Changes in fair value of derivative instrument		(5.32)	2.56
Differences on account of translation of foreign operations		103.63	(149.35)
<b>Total Other comprehensive Income for the year</b>		<b>38.47</b>	<b>(222.47)</b>
<b>Total Comprehensive Income for the year</b>		<b>282.56</b>	<b>(21.53)</b>
<b>Total Profit attributable to Equity Shareholders</b>		<b>244.09</b>	<b>200.94</b>
<b>Profit for the period attributable to:</b>			
Shareholders of Saksoft Limited		218.33	170.95
Non-controlling interest		25.76	29.99
		<b>244.09</b>	<b>200.94</b>
<b>Total Comprehensive income for the period attributable to:</b>			
Shareholders of Saksoft Limited		256.16	(51.52)
Non-controlling interest		26.40	29.99
		<b>282.56</b>	<b>(21.53)</b>
<b>Earnings per equity share of Rs 10 each</b>			
(1) Basic		21.98	17.30
(2) Diluted		20.70	16.10

See accompanying Notes to financial statements  
Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Aditya Krishna**  
Chairman & Managing Director  
DIN: 00031345

**Ajit Thomas**  
Director  
DIN: 00018691

**Mahesh Krishnan**  
Partner  
Membership No: 206520

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

Date: May 30, 2018  
Place: Chennai

## Consolidated Statement of Cash Flows as on 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	338.19	288.77
Adjustments for:		
Depreciation & amortisation	28.71	13.14
Reversal of ESOP reserve	13.82	
Expenses on employee stock based compensation	-	5.95
(Profit)/Loss on sale of Investments and fixed assets	(3.93)	-
(Profit)/Loss on redemption of investments	-	(0.15)
Allowance for doubtful debts	3.21	6.59
Write back of Provision for diminution in the value of investments no longer required	-	(2.52)
Interest and other Income	(1.81)	(1.38)
Dividend Income	(0.01)	(0.86)
Interest and Finance charges	52.14	46.51
Net actuarial gain / loss on defined benefit plan	0.77	0.35
Unrealised Derivatives	(5.32)	-
<b>Operating Profit before Working Capital / Other Changes</b>	<b>425.77</b>	<b>356.40</b>
(Increase) / Decrease in Trade receivables	(80.40)	(16.97)
(Increase) / Decrease in Other Assets	(2.51)	39.64
Increase / (Decrease) in Trade Payables	65.28	4.88
Increase / (Decrease) in Other liabilities	17.63	(96.60)
Increase / (Decrease) in Provisions	4.93	25.40
(Increase)/Decrease on account minority interest	(23.18)	(0.32)
<b>Cash Generated From Operations</b>	<b>407.52</b>	<b>312.43</b>
Income tax paid	(105.61)	(101.43)
<b>Net Cash Flow from Operating Activities</b>	<b>301.91</b>	<b>211.00</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(18.27)	(23.26)
Proceeds from sale of Property, Plant and Equipment	3.93	0.84
Purchase of Intangible assets	(33.59)	(6.22)
Interest and other Income	1.81	1.38
Sale / (Purchase) of Current Investments , (net)	-	27.05
Sale / (Purchase) of Non current Investments , (net)	1.10	1.27
Payment towards acquisition of business and (Increase)/Decrease on account of goodwill on consolidation	(99.42)	(207.22)
Dividend income Received	0.01	0.86
<b>Net Cash Used in Investing Activities</b>	<b>(144.42)</b>	<b>(205.30)</b>



## Consolidated Statement of Cash Flows as on 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	12.37	94.49
Interest and Finance charges	(52.14)	(46.51)
Proceeds from allotment of shares	2.37	2.65
Share capital adjustment on consolidation	(5.12)	-
Dividend paid (including Dividend Distribution Tax)	(37.88)	(33.67)
<b>Net Cash Used in Financing Activities</b>	<b>(80.40)</b>	<b>16.96</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>77.09</b>	<b>22.66</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>223.11</b>	<b>200.45</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>300.20</b>	<b>223.11</b>
<b>Note:</b>		
Companies (Indian Accounting Standards) Rules, 2015.		
<b>b. Cash and Cash Equivalents comprise of:</b>		
Balance with Schedule banks in current accounts	300.09	222.97
Cash and Cheques on Hand and in-transit	0.11	0.14
<b>Total</b>	<b>300.20</b>	<b>223.11</b>

Statement of Cash Flow

This is the Statement of Cash Flow referred to in our Report of even date.

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN: 00031345

**Ajit Thomas**  
*Director*  
 DIN: 00018691

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

**S. Muthukrishnan**  
*Company Secretary*

Date: May 30, 2018  
 Place: Chennai

## Statement of changes in equity

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (a) Equity Share Capital

Balance as at 1st April 2016	103.95
Add: Shares issued on exercise of employee stock options	0.60
<b>Balance as at 31st March 2017</b>	<b>104.55</b>
Balance as at 1st April 2017	104.55
Add: Shares issued on exercise of employee stock options	0.20
Less: Elimination on account of consolidation of Saksoft Employee Welfare Trust	5.32
<b>Balance as at 31st March 2018</b>	<b>99.43</b>

### (b) Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income			Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve	Share Options outstanding reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
Balance as at 1st April 2016	0.21	48.93	86.41	9.09	977.04	97.87	3.26	-	1,222.81
Profit for the year	-	-	-	-	170.95	-	-	-	170.95
Other Comprehensive Income (Net of taxes)	-	-	-	-	(76.03)	(149.35)	2.56	0.35	(222.47)
Issue of equity shares	-	-	2.06	-	-	-	-	-	2.06
Cost related to employee share based payments	-	-	-	5.95	-	-	-	-	5.95
Cash Dividends	-	-	-	-	(31.19)	-	-	-	(31.19)
Dividend Distribution Tax	-	-	-	-	(2.48)	-	-	-	(2.48)
Balance as at 31st March 2017	0.21	48.93	88.47	15.04	1,038.29	(51.48)	5.82	0.35	1,145.63
Balance as at 1st April 2017	0.21	48.93	88.47	15.04	1,038.29	(51.48)	5.82	0.35	1,145.63
Profit for the year	-	-	-	-	218.33	-	-	-	218.33
Other Comprehensive Income (Net of taxes)	-	-	-	-	(60.62)	103.63	(5.32)	0.78	38.47
Issue of equity shares	-	-	1.71	-	-	-	-	-	1.71
Additional reserves on consolidation of ESOP Trust	-	-	-	-	13.82	-	-	-	13.82
Transferred to Securities Premium reserve	-	-	(0.54)	-	-	-	-	-	(0.54)
Cost related to employee share based payments	-	-	1.20	-	-	-	-	-	1.20
Cash Dividends	-	-	-	-	(29.76)	-	-	-	(29.76)
Dividend Distribution Tax	-	-	-	-	(8.12)	-	-	-	(8.12)
Balance as at 31st March 2018	0.21	48.93	90.18	15.70	1,171.94	52.15	0.50	1.13	1,380.74

See accompanying Notes to financial statements  
 Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN: 00031345

**Ajit Thomas**  
*Director*  
 DIN: 00018691

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

**S. Muthukrishnan**  
*Company Secretary*

Date: May 30, 2018  
 Place: Chennai

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### c) Reconciliation:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at 1st April 2016
- equity as at 31st March 2017
- total comprehensive income for the year ended 31st March 2017, and
- explanation to material adjustments to Cash Flow Statements

### Effect of Ind AS Adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016

	As at 31st March 2017				As at 1st April 2016			
	Amount as per Previous GAAP	Effects of transition to Ind AS Reclassifications	Adjustments	Amount as per Ind AS	Amount as per Previous GAAP	Effects of transition to Ind AS Reclassifications	Adjustments	Amount as per Ind AS
<b>ASSETS</b>								
(1) Non-current assets								
(a) Property, Plant and Equipment	33.66	0.02	-	33.68	21.40	0.03	-	21.43
(b) Goodwill on Consolidation	-	1,296.86	(76.03)	1,220.83	-	1,232.94	-	1,232.94
(c) Other Intangible assets	1,315.57	(1,296.87)	-	18.70	1,235.78	(1,232.94)	-	2.84
(d) Financial Assets								
(i) Investments	1.10	-	-	1.10	-	-	-	-
(iii) Loans	-	0.27	-	0.27	-	0.27	-	0.27
(iv) Others	-	14.98	(0.39)	14.58	-	9.28	(0.39)	8.89
(e) Deferred tax assets (net)	3.49	0.07	(0.56)	3.01	16.66	0.07	(1.20)	15.53
(f) Other non-current assets	20.49	(19.98)	-	0.52	12.62	(12.62)	-	-
<b>(2) Current assets</b>								
(a) Financial Assets								
(i) Investments	-	-	-	-	27.05	-	-	27.05
(ii) Trade receivables	506.42	0.68	-	507.10	496.13	0.59	-	496.72
(iii) Cash and cash equivalents	225.27	(2.16)	-	223.11	201.45	(1.00)	-	200.45
(iv) Loans	-	3.04	-	3.04	-	5.80	-	5.80
(v) Others	147.79	(69.16)	6.20	84.83	195.52	(122.80)	3.65	76.37
(b) Other current assets	71.21	56.40	-	127.61	68.66	107.93	-	176.59
<b>TOTAL ASSETS</b>	<b>2,325.00</b>	<b>(15.84)</b>	<b>(70.77)</b>	<b>2,238.38</b>	<b>2,275.26</b>	<b>(12.43)</b>	<b>2.06</b>	<b>2,264.88</b>
<b>EQUITY AND LIABILITIES</b>								
<b>EQUITY</b>								
(a) Equity Share Capital	104.55	-	-	104.55	103.95	-	-	103.95
(b) Other Equity	1,214.72	-	(69.09)	1,145.63	1,185.94	-	36.87	1,222.81
Equity Attributable to Owners of the Company	1,319.27	-	(69.12)	1,250.18	1,289.89	-	36.86	1,326.76
Non-controlling interest	58.27			58.27	28.61	-	-	28.61
<b>LIABILITIES</b>								
<b>(1) Non-current liabilities</b>								
(a) Financial Liabilities	-	-	-	-	-	-	-	-
(i) Borrowings	410.90	-	-	410.90	321.22	-	-	321.22
(b) Provisions	21.49	-	-	21.49	11.43	(0.04)	(1.64)	9.75
	<b>432.39</b>	<b>-</b>	<b>-</b>	<b>432.39</b>	<b>332.65</b>	<b>(0.04)</b>	<b>(1.65)</b>	<b>330.97</b>
<b>(2) Current Liabilities</b>								
<b>(a) Financial Liabilities</b>								
(i) Borrowings	8.00	-	-	8.00	3.19	-	-	3.19
(ii) Trade payables	248.85	(27.87)	-	220.98	257.44	(41.34)	-	216.10
(iii) Other financial liabilities	-	72.04	-	72.04	-	63.71	-	63.71
(b) Current Tax Assets (Net)	-	1.35	-	1.35	-	19.84	-	19.84
(c) Other current liabilities	216.13	(30.91)	-	185.22	256.65	15.13	-	271.78
(d) Provisions	42.11	(30.51)	(1.65)	9.95	106.81	(69.74)	(33.16)	3.92
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,325.00</b>	<b>(15.84)</b>	<b>(70.77)</b>	<b>2,238.38</b>	<b>2,275.26</b>	<b>(12.43)</b>	<b>2.06</b>	<b>2,264.88</b>

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (i) Equity reconciliation

Particulars	Note	As at 31st March 2017	As at 1st April 2016
Equity under Previous GAAP		1319.27	1,289.89
Proposed dividend and tax thereon	1	-	31.35
Effects of fair valuation of derivative instruments	2	5.82	3.26
Reversal of Goodwill on acquisition of non-controlling interest	3	(76.03)	-
Others	4	1.12	2.26
<b>Equity as per Ind AS</b>		<b>1,250.18</b>	<b>1,326.76</b>

### (ii) Total Comprehensive Income reconciliation

Particulars	Note	As at 31st March 2017
<b>Net Income as per Previous GAAP</b>		<b>208.40</b>
Effects of reversal of rent straight lining provision (Net of deferred taxes)	4	(1.16)
Employee Benefit Expenses - Cost of employee stock options / Actuarial gain / loss of defined benefit plans	5, 6	(6.30)
<b>Profit for the year under Ind AS</b>		<b>200.94</b>
<b>Other Comprehensive Income</b>	2, 3, 5	<b>(222.47)</b>
<b>Total Comprehensive Income under Ind AS</b>		<b>(21.53)</b>

(iii) There are no significant reconciling items between cash flows prepared under Indian GAAP and those prepared under Ind AS

### Notes:

- Under Ind AS, the liability for dividend is recognized in the period in which the obligation to pay is established. Under Previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earnings is higher.
- Under Ind AS, equity instruments are recognized at fair value through Other Comprehensive Income (FVTOCI) at each reporting period with changes in fair value recognized directly in Other Comprehensive Income. Under Previous GAAP, only premium or discount on the derivative contracts were recognized in the Statement of Profit and Loss over the period of the equity instrument. Consequently there has been a gain in the Other Comprehensive Income.
- Under Ind AS, when controlling interest is obtained over two or more stages, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity as excess consideration paid. Hence for acquisition of interest in the ThreeSixty Logica Testing Services Private Limited obtained in July 2016 from non-controlling interest results in difference between the considerations transferred and the proportion of non-controlling interest so acquired and shall be recognised under Other Equity. Under previous GAAP, any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary at the date on which investment in subsidiary is made, should be described as goodwill to be recognised as an asset in the Consolidated Financial Statements.

## Statement of changes in equity for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

4. Under Ind AS lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term only when the the payments to the lessor are structured not to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or there are no another systematic basis is more representative of the time pattern of the user's benefit. Under Previous GAAP, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Consequently the increase in lease payments were in line with the general inflation and hence did not require straight lining of rental expenses and the Provision in the books towards accounting of Rent Straight Lining has been reversed resulting in increase in rental expenses for the previous year and reversal of Provision for rent straight lining in the books.
5. Under Previous GAAP, actuarial gains and losses were recognized in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of the remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive Income.
6. Under Ind AS, the Compensation cost of employee share based payments needs to be measured based on the grant-date fair value of the equity instruments issued. Under Previous GAAP, Cost of employee share based payment had teh option to be measures based on the grant date fair value or intrinsic value of the equity instruments issued. Consequently the expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN: 00031345

**Ajit Thomas**  
*Director*  
 DIN: 00018691

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

**S. Muthukrishnan**  
*Company Secretary*

Date: May 30, 2018  
 Place: Chennai

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## Company Overview and Significant Accounting Policies

### 1. Company Overview

Saksoft Limited ('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tami Nadu, India.

The Company together with its subsidiaries (collectively referred to as "the Group") is primarily engaged in providing Information technology services, viz; Business Intelligence, Testing, Digital, Cloud, Mobility, IoT, Big Data & Software Solutions across Industries and Verticals. The Group

provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. The Group provides the entire gamut of software solutions including IM Strategy, Consulting, Design, Custom Application development, RaaS, BI & DW Services, Systems integration, Implementation, Assurance and Placement services. The consolidated financial statements were authorized for issue by the Company's Board of Directors on 30th May 2018. The subsidiaries including the step down in the Group considered in the presentation of these consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Percentage of ownership interest
Saksoft Inc	United States of America	100%
<b>Step down subsidiary of Saksoft Inc:</b>		
Nanda Infotech Services Inc (D.B.A Electronic Data Professionals)	United States of America	100%
Faichi Solutions	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft Solutions Limited	United Kingdom	100%
<b>Step down subsidiaries of Saksoft Solutions Limited</b>		
Acuma Solutions Limited	United Kingdom	100%
Acuma Software Limited	United Kingdom	100%
ThreeSixty Logica Testing Services Pvt Ltd	India	100%
<b>Step down Subsidiary of ThreeSixty Logica Testing Services Pvt Ltd:</b>		
ThreeSixty Logica Testing Services Inc	United States of America	100%
DreamOrbit Softech Pvt Ltd	India	60%
<b>Step down Subsidiary of DreamOrbit Softech Pvt Ltd:</b>		
DreamOrbit Inc	United States of America	100%

### 2. Significant accounting policies

#### a. Basis of preparation of financial statements

The consolidated financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The consolidated financial statements for all periods upto the year ended 31st March 2017 were prepared and presented in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 (Indian GAAP) read with the Companies (Accounting Standards) Rules 2006 and other relevant provisions of the Act / Rules.

These consolidated financial statements are the Group's first financial statements under Ind AS. Refer

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Note 23 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policy, if any of the Company and its subsidiaries are adjusted in the consolidated financial statements, if material.

### b. Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value
- iii. Share based payments; and
- iv. Defined benefit plans and other long-term employee benefits

### c. Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the consolidated financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to consolidated financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

### Revenue Recognition

The Group uses the percentage-of completion method in accounting for its fixed price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

### Income Taxes

The Group's two major tax jurisdictions are India and the U.S., though the Groups also files tax returns in other foreign Jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

### Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Employee Benefits

The Group's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

### Other estimates

The Group estimates the probability of the collection



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the group's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

### d. Principles of Consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and its subsidiaries consolidated for all entities which are controlled by the parent company. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the effective date the control commences and ceases when the control is lost.

For preparation of consolidated financial statements of the Group, the financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made are recognized in the financial statements as goodwill / capital reserve. The Group tests for impairment of goodwill at each balance sheet date. When the Group identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Statement of Profit and Loss.

Minority Interest in the Net income of the group have been identified and adjusted against the income of the group to arrive at the Net income attributable to the

equity shareholders of the Parent Company. Minority Interest in the Net assets of the group have been identified and disclosed separately.

### e. Business Combinations and Goodwill

In accordance with the provisions of Ind AS 101 related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the transition date. As such, Previous GAAP balances relating to business combinations entered into before the transition date, including goodwill, have been carried forward at same values.

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Expense relating to acquisition is generally recognized in the Statement of Profit and Loss as and when the same is incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed on the acquisition date

### f. Revenue recognition

The Group derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable. Revenue disclosed is net of discounts and excludes Goods and service tax. The Group recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

benefits will flow to the entity. The Group recognizes revenue when the significant terms of arrangement are enforceable, services have been rendered and the collectability is reasonably assured. Recognition criteria for various types of contracts are as follows:

### Time and Material Contracts:

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

### Fixed-Price Contracts:

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis.

### Annual Maintenance Contract:

Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.

### Sale of products:

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unbilled revenue represent earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

### Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

## e. Property, Plant & Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is provided over the economic useful life determined by technical evaluation. The useful lives of those assets are as under:

Description	Useful Lives (in years)
Plant and machinery	5
Furniture and fixtures	5
Vehicles	5
Electrical installations	5

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013*

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. Cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale

of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

### f. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

### g. Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of fair value or present value of the minimum lease payments at the inception of lease term and disclosed as leased assets. Assets under finance lease are depreciated over the economic useful life or lease term, whichever is less.

The lease payments, net of finance charges, are adjusted against borrowings / other financial liabilities and allocated between lease liability and finance charges.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. The lease payments that are structured to increase in line with the expected general

inflation are recognized in the Statement of Profit and Loss as per the terms of lease agreement.

### h. Impairment

#### Non-financial assets

The Group assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Group estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

### FINANCIAL ASSETS

**Receivables:** The Group follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

**Other financial assets:** For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

### i. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current.

- Non-current investments in associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

### j. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

#### Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

#### Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

### k. Non-derivative financial instruments

#### INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

### SUBSEQUENT MEASUREMENT:

#### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

#### Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

#### Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

#### Fair value hierarchy:

The group's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Level 2** - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

**Level 3** - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### I. Foreign Currency Translation

#### Functional and Presentation Currency

Items included in the consolidated financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the parent company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

#### Foreign currency Transactions and Balances

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign - currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are

translated at the exchange rate prevalent at the date of transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of Other Comprehensive Income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

### m. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the by the Board of Directors of each company of the Group.

### n. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**o. Employee benefits**

**Defined Contribution Plans**

The Group pays Provident Fund contributions payable to the recognized provident fund for the parent company and the Indian subsidiaries. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

**Defined Benefit Plans**

The Company and its subsidiaries in India provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group as per the provisions of the Payment of Gratuity Act, 1972.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

**Other short term Employee Benefits**

The employees of the Group are entitled to compensated absences. At the end of the financial year, the Group accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

Contributions to other foreign defined contribution plans are recognized as expense when the employees have rendered services entitling them to such benefits.

**Share-based payments**

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on group's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

**p. Taxation**

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with the Income Tax law of the respective geographies) and deferred tax charge or credit (reflecting the tax



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

### Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### Deferred Income Tax

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax income liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws enacted or substantively enacted at the reporting date.

### q. Earnings per share

Basic earnings per share ('EPS') amounts are computed by dividing the net profit or loss after tax, for the year, by the weighted average number of shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.

### r. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

### s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expended in the period in which they are incurred.

### t. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

### u. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and that may, but not probable that an

outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### v. Recent accounting pronouncements

Ind AS 115 - Revenue from contracts with customers

The above Ind AS, notified by the Ministry of Corporate Affairs on 28th March 2018, will be effective from 1st April 2018, and consequently Ind AS 11 – Construction Contracts and Ind AS 18 – Revenue will stand withdrawn from that date. Revenue recognition under the new standard underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged. While stipulating recognition of contract asset/liability under specific circumstances, the standard prescribes for elaborate disclosures including reconciliation between contract price and revenue recognised.

The Company will adopt the standard with effect from 1st April 2018 with cumulative effect of retrospective application recognised as transitional adjustments in retained earnings. However, in the opinion of the management, the effect on adoption of Ind AS 115, if any, is not expected to be material.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 3. Property, Plant and Equipment

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fittings	Motor Vehicles Owned	Motor Vehicles Leased	Total
<b>Gross carrying value</b>									
At April 1, 2016	10.36	29.63	90.70	14.22	10.01	59.87	3.48	2.83	221.10
Additions	-	-	11.70	2.58	0.02	4.68	1.69	2.59	23.26
Disposals / adjustments	-	-	7.90	0.20	-	35.92	-	2.45	46.47
Translation/ Consolidation adjustment	-	-	15.19	1.94	0.05	(3.94)			13.24
<b>At March 31, 2017</b>	<b>10.36</b>	<b>29.63</b>	<b>109.69</b>	<b>18.54</b>	<b>10.08</b>	<b>24.69</b>	<b>5.17</b>	<b>2.97</b>	<b>211.13</b>
At April 1, 2017	10.36	29.63	109.69	18.54	10.08	24.69	5.17	2.97	211.13
Additions	0.05	-	15.29	0.98	0.15	1.77	0.04	-	18.28
Disposals / adjustments	-	-	0.28	0.01	-	0.08	3.30	1.32	4.99
Translation/ Consolidation adjustment	-	0.63	3.03	1.98	-	(3.80)	-	-	1.84
<b>At March 31, 2018</b>	<b>10.41</b>	<b>30.26</b>	<b>127.73</b>	<b>21.49</b>	<b>10.23</b>	<b>22.58</b>	<b>1.91</b>	<b>1.65</b>	<b>226.26</b>
<b>Accumulated depreciation</b>									
At April 1, 2016	10.36	26.09	82.79	12.31	7.12	56.28	2.53	2.19	199.67
Depreciation expense	-	-	6.25	1.98	0.61	0.68	0.70	0.90	11.12
Disposals / adjustments	-	-	7.89	0.20	-	35.92	-	1.62	45.63
Translation/ Consolidation adjustment		-	22.48	(4.81)		(5.38)			12.29
<b>At March 31, 2017</b>	<b>10.36</b>	<b>26.09</b>	<b>103.63</b>	<b>9.28</b>	<b>7.73</b>	<b>15.66</b>	<b>3.23</b>	<b>1.47</b>	<b>177.45</b>
At April 1, 2017	10.36	26.09	103.63	9.28	7.73	15.66	3.23	1.47	177.45
Depreciation expense	0.01	0.82	10.71	4.40	0.62	1.81	0.91	0.72	20.00
Disposals / adjustments	-	-	0.28	-	-	0.08	3.30	1.32	4.98
Translation/ Consolidation adjustment	-	0.08	8.62	0.99	-	(1.21)	(0.72)	-	7.76
<b>At March 31, 2018</b>	<b>10.37</b>	<b>26.99</b>	<b>122.68</b>	<b>14.67</b>	<b>8.35</b>	<b>16.18</b>	<b>0.12</b>	<b>0.87</b>	<b>200.23</b>
<b>Net carrying value March 31, 2018</b>	<b>0.04</b>	<b>3.27</b>	<b>5.05</b>	<b>6.82</b>	<b>1.88</b>	<b>6.40</b>	<b>1.79</b>	<b>0.78</b>	<b>26.03</b>
<b>Net carrying value March 31, 2017</b>	<b>0.00</b>	<b>3.54</b>	<b>6.05</b>	<b>9.26</b>	<b>2.35</b>	<b>9.03</b>	<b>1.94</b>	<b>1.50</b>	<b>33.68</b>
<b>Net carrying value April 1, 2016</b>	<b>-</b>	<b>3.54</b>	<b>7.91</b>	<b>1.91</b>	<b>2.89</b>	<b>3.59</b>	<b>0.95</b>	<b>0.64</b>	<b>21.43</b>

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

#### 4. Goodwill and Other intangible assets

a) Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Goodwill on consolidation	Acquired contracts	Intellectual property	Computer Software	Total
<b>Gross carrying value</b>					
At April 1, 2016	1,232.94	-	4.50	31.21	1,268.65
Additions	207.22	-	-	6.22	213.44
Disposals / adjustments	76.03	-	-	0.28	76.31
Translation/Consolidation adjustment	(143.30)	-	-	8.29	(135.01)
<b>At March 31, 2017</b>	<b>1,220.83</b>	<b>-</b>	<b>4.50</b>	<b>45.44</b>	<b>1,270.77</b>
At April 1, 2017	1,220.83	-	4.50	45.44	1,270.77
Additions	99.73	30.30	-	3.29	133.32
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	100.55	-	-	-	100.55
<b>At March 31, 2018</b>	<b>1,421.11</b>	<b>30.30</b>	<b>4.50</b>	<b>48.73</b>	<b>1,504.64</b>
<b>Accumulated amortization</b>					
At April 1, 2016	-	-	4.50	28.37	32.87
Amortisation expense	-	-	-	2.02	2.02
Disposals / adjustments	-	-	-	0.28	0.28
Translation/Consolidation adjustment	-	-	-	(3.37)	(3.37)
<b>At March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>4.50</b>	<b>26.74</b>	<b>31.24</b>
At April 1, 2017	-	-	4.50	26.74	31.24
Amortisation expense	-	4.36	-	4.35	8.71
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	-	-	-	(2.87)	(2.87)
<b>At March 31, 2018</b>	<b>-</b>	<b>4.36</b>	<b>4.50</b>	<b>28.22</b>	<b>37.08</b>
<b>Net carrying value March 31, 2018</b>	<b>1,421.11</b>	<b>25.94</b>	<b>0.00</b>	<b>20.51</b>	<b>1,467.56</b>
<b>Net carrying value March 31, 2017</b>	<b>1,220.83</b>	<b>-</b>	<b>0.00</b>	<b>18.70</b>	<b>1,239.53</b>
<b>Net carrying value April 1, 2016</b>	<b>1,232.94</b>	<b>-</b>	<b>0.00</b>	<b>2.84</b>	<b>1,235.78</b>

b) Impairment

The changes in the carrying value of Goodwill balances

Particulars	Amount
<b>Opening balance as at 1st April 2016</b>	<b>1,232.94</b>
Additions on Acquisitions through business combinations:	
DreamOrbit Softech Private Limited	207.22
Reversal of Goodwill on acquisition of ThreeSixty Logica Testing Services Private Limited	(76.03)
Effect of translation differences	(143.30)
<b>Opening balance as at 31st March 2017</b>	<b>1,220.83</b>
<b>Opening balance as at 1st April 2017</b>	<b>1,220.83</b>
Additions on Acquisition through business combinations:	
Faichi Soutions LLC	99.73
Effect of translation differences	100.56
<b>Opening balance as at 31st March 2018</b>	<b>1,421.12</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 4. Goodwill and Other intangible assets (Contd.)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash generating units (CGU) or group of CGUs, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observable market data. The value-in-use is determined based on specific calculations. These calculations use pre tax cash flow projections over a period of five years based on financial budgets and an average of the range of each assumption mentioned below.

As at March 31, 2018, the estimated recoverable amount of the CGU exceeds its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

Particulars	As at	
	31st March 2018	31st March 2017
Terminal growth rate	10%	10%
Discount rate	Treasury rates of respective countries	

The above discount rates are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples), did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

## NON-CURRENT ASSETS

### 5.1 Financial assets - Investments

Particulars	Face value (fully paid up)	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of shares / units	Cost	No. of shares / units	Cost	No. of shares / units	Cost
Non-current assets							
5. Financial assets							
5.1. Investments							
Investment in Equity instruments (quoted)							
a) 10-4 Systems Inc.,	USD 0.01	-	-	30,000	1.10	-	-
		-	-	-	1.10	-	-

### 5.2. Financial assets -Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(unsecured and considered good)*			
Loan to related parties	0.03	0.27	0.27
	0.03	0.27	0.27

\* Related party balances are presented in Note no. 24 (c)

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**5.3. Financial assets - Other**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposit	22.01	12.34	7.70
Bank deposits with more than 12 months	1.91	2.24	1.19
	<b>23.92</b>	<b>14.58</b>	<b>8.89</b>

**6. Deferred Tax Assets (Net)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Arising from timing difference in respect of:			
Property, Plant and Equipment	2.83	1.66	10.82
Retirement Benefits	12.91	14.30	4.64
Other tax disallowances	(4.71)	(13.02)	-
Derivative financial instruments - FVTOCI	(0.19)	-	-
MAT Credit	0.07	0.07	0.07
	<b>10.91</b>	<b>3.01</b>	<b>15.53</b>

**7. Other Non Current Assets**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	0.19	0.52	-
	<b>0.19</b>	<b>0.52</b>	<b>-</b>

**CURRENT ASSETS**

**8.1 Financial assets - Investments**

Investment in Liquid Mutual Funds (non-traded, unquoted)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares / units	Cost	No. of shares / units	Cost	No. of shares / units	Cost
Opening balance	-	-	2,69,675	27.05		
Additions during the year	-	-	22,11,924	221.86	21,60,657	216.72
Deletions during the year	-	-	(24,81,599)	(248.91)	(18,90,982)	(189.67)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,69,675</b>	<b>27.05</b>
Aggregate fair value of unquoted investments		-		-		27.05
Aggregate amount of impairment in value of investments		-		-		-

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 8.2 Financial assets -Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)*			
Considered good	584.31	507.10	496.72
Considered doubtful	8.33	8.92	6.06
Less: Allowance for doubtful debts	(8.33)	(8.92)	(6.06)
	<b>584.31</b>	<b>507.10</b>	<b>496.72</b>

\* Related party balances are presented in Note no. 24 ( c )

### 8.3. Financial assets -Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a. Cash on hand	0.11	0.14	0.23
b. Balances with banks in current accounts and deposit accounts	299.72	222.61	199.90
c. Other bank balances #	0.37	0.36	0.32
	<b>300.20</b>	<b>223.11</b>	<b>200.45</b>

# Other bank balances represent earmarked balances in respect of unpaid dividends and dividend payable

### 8.4. Financial assets - Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(unsecured, considered good)			
Employee Loans	1.98	3.04	5.80
	<b>1.98</b>	<b>3.04</b>	<b>5.80</b>

\*Related party balances are presented in Note No. 22 ( c )

### 8.5. Financial Assets - Others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	5.30	7.87	4.64
Derivative assets - Forward Contract	0.70	5.82	3.26
Unbilled revenue	68.63	71.14	68.47
	<b>74.63</b>	<b>84.83</b>	<b>76.37</b>



**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## 9. Others Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with statutory Authority	10.00	10.00	10.00
Prepaid expenses	125.24	114.90	165.24
Advance to suppliers	1.60	2.71	1.35
	<b>136.84</b>	<b>127.61</b>	<b>176.59</b>

## 10. Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>			
Authorised:			
20,100,000 Equity Shares of Rs.10 each	201.00	201.00	201.00
Issued & Subscribed & Fully Paid-up:			
9,942,540 Equity Shares of Rs.10 each (March 2017 : 10,455,000 shares and April 2016 : 10,395,000 shares) (Current year has been disclosed as net of shares held by the trust)	99.43	104.55	103.95
<b>Total</b>	<b>99.43</b>	<b>104.55</b>	<b>103.95</b>

### (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

<b>Outstanding as at beginning of the year</b>	1,04,55,000	1,03,95,000	1,03,60,000
Add: Shares allotted to employees pursuant to ESOP 2009	20,000	60,000	35,000
Less: Elimination on account of consolidation of Saksoft Employee Welfare Trust	(5,32,460)	-	-
<b>Outstanding as at the end of the year</b>	<b>99,42,540</b>	<b>1,04,55,000</b>	<b>1,03,95,000</b>

### C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

### (D) Shares in the company held by each shareholder holding more than 5% shares

S. Name of the shareholder No.	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1 Aditya Krishna	23,18,640	22.13%	21,18,520	20.26%	23,23,070	22.35%
2 Sak Industries Private Limited	46,53,315	44.42%	45,54,550	43.56%	43,50,000	41.85%
3 Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%	5,42,460	5.22%
<b>Total</b>	<b>75,04,415</b>	<b>71.64%</b>	<b>72,05,530</b>	<b>68.91%</b>	<b>72,15,530</b>	<b>69.42%</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 10. Share Capital (Contd.)

(E) Shares reserved for issue under options and contracts [Refer Note - 24(f)]

S. No.	Name of the shareholder	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	185,000 Options (31st March 2017 : 3,75,000 / 31st March 2016 : 515,000 Options)	Employees	ESOP 2009

### 11. Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>a) Capital reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	0.21	0.21	0.21
<b>b) Securities premium reserve</b> Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	90.18	88.47	86.41
<b>c) General reserve</b> This represents appropriation of profit by the Company.	48.93	48.93	48.93
<b>d) Retained earnings</b> Retained earnings comprise of the Company's undistributed earnings after taxes.	1,171.94	1,038.29	977.04
<b>e) Share option outstanding account</b> The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	15.70	15.04	9.09
<b>f) Derivative Financial Instruments through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.	0.50	5.82	3.26
<b>g) Foreign currency translation reserve</b>	52.15	(51.48)	97.87
<b>h) Other items of other comprehensive income</b> Other items of other comprehensive income consist of re-measurement of net defined liability/asset.	1.13	0.35	-
	<b>1,380.74</b>	<b>1,145.63</b>	<b>1,222.81</b>

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**NON-CURRENT LIABILITIES**

**12.1 Financial liabilities - Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term Loans From Bank - Secured</b>	-	30.00	70.00
Secured by first pari passu charge on company's unencumbered movable fixed assets, second charge on all the current assets of the company and the personal guarantee of the Managing Director.			
<b>Repayment Terms:</b>			
Repayable in 12 Equal Quarterly installments commencing from March, 2016.			
Rate of interest - 9.90% linked to 3 months MCLR + 0.5% p.a			
Period and amount of continuing default: NIL			
<b>Term Loans From Bank - Secured</b>	65.39	75.00	-
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.			
<b>Repayment Terms:</b>			
Repayable in 16 Quarterly installments commencing from March, 2018.			
Rate of interest - 10.20% linked to banks one year MCLR			
Period and amount of continuing default: NIL			
<b>Dropline Overdraft From Bank - Secured</b>	5.00	25.33	-
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.			
<b>Repayment Terms:</b>			
Repayable in 7 Quarterly installments commencing from December 2017.			
Rate of interest - 10.20% linked to banks one year MCLR			
Period and amount of continuing default: NIL			
<b>Long Term Maturities Of Finance Lease Obligations</b>	0.28	0.85	0.12
Secured by hypothecation of cars taken on lease			
<b>Unsecured, From Related Parties</b>			
From Sak Industries Private Limited	245.00	215.00	185.00
<b>Repayment Terms:</b>			
The Loan is repayable on demand, not later than 30th September 2020.			
Period and amount of continuing default: NIL			
Sak Industries PTE Loan Limited (Loan a/c)	64.82	64.72	66.10
<b>Repayment Terms:</b>			
The Loan is repayable on demand, not later than 30th September 2021.			
Period and amount of continuing default: NIL			
	<b>380.49</b>	<b>410.90</b>	<b>321.22</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Note 12.2. Financial liabilities - Others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Liability towards acquisition of business	60.93	-	-
	60.93	-	-

### 13. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gratuity Payable (Net)*	26.42	21.49	9.75
	26.42	21.49	9.75

\* Refer Note 24 (e) for details of gratuity plan as per Ind AS 19

### 14.1 Financial liabilities - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loans from Directors of Subsidiaries	-	8.00	-
Cash Credit Account	44.19	-	3.19
	44.19	8.00	3.19

### 14.2. Financial liabilities - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables-Micro,small and medium enterprises*	-	-	-
Trade payables - Others #	286.26	220.98	216.10
	286.26	220.98	216.10

\*Refer Note no 24 (h)

# Related Party Balances are presented in Note no 24 (c)

### 14.3. Financial liabilities - Other

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term loans*	59.16	52.50	40.00
Current maturities of finance lease obligations	0.57	0.64	0.55
Unclaimed Dividends	0.37	0.36	0.32
Others	16.19	18.54	22.84
	76.29	72.04	63.71

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## 15. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	156.62	138.54	193.66
Statutory dues	(1.10)	12.92	19.65
Others	47.71	33.76	58.47
	<b>203.23</b>	<b>185.22</b>	<b>271.78</b>

## 16. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	8.00	8.67	3.09
Provision for gratuity*	2.00	1.28	0.83
	<b>10.00</b>	<b>9.95</b>	<b>3.92</b>

\*Refer Note no 24 (e) for details of Gratuity plan as per Ind AS 19

## 17. Income tax

Income tax expense in the statement of profit and loss consists of:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current income tax:</b>		
In respect of the current year	102.02	82.94
<b>Deferred tax:</b>		
In respect of the current year	(7.92)	4.89
<b>Income tax expense recognised in the statement of profit or loss:</b>	<b>94.10</b>	<b>87.83</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	0.33	-
Deferred tax arising on income and expense recognised in other comprehensive income	0.19	-
<b>Total</b>	<b>0.52</b>	<b>-</b>

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before tax	338.19	288.77
Enacted income tax rate in India	33.06%	33.06%
<b>Computed expected tax expenses</b>	<b>111.82</b>	<b>95.47</b>
<b>Effect of:</b>		
Differential tax rates of branches/subsidiaries operating in other jurisdiction	49.29	58.01
Expenses that are not deductible in determining taxable profit	(7.34)	4.41

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 17. Income tax (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
Income subject to different taxes	(60.84)	(68.68)
Disallowance under 14A	1.15	0.94
Depreciation allowance / disallowance under IT Act	0.02	(0.68)
Reversal of tax provisions of previous year	-	(1.68)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>94.10</b>	<b>87.83</b>

#### Calculation of Applicable Tax Rate:

Particulars	As at March 31, 2018	As at March 31, 2017
Basic tax rate	30.00%	30.00%
Surcharge @ 7%	2.10%	2.10%
Aggregate of tax and surcharge	32.10%	32.10%
Cess @ 3% on tax and Surcharge	0.96%	0.96%
<b>Tax Rate applicable</b>	<b>33.06%</b>	<b>33.06%</b>

#### Deferred tax assets / liabilities as at March 31, 2018

Particulars	As at April 1, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2018
Property, Plant and Equipment	1.66	1.17	-	2.83
Retirement and employee Benefits	14.30	(1.56)	0.17	12.91
Other tax disallowances	(13.02)	8.31	-	(4.71)
Derivative financial instruments - FVTOCI	-	-	(0.19)	(0.19)
MAT Credit entitlement	0.07	-	-	0.07
<b>Total</b>	<b>3.01</b>	<b>7.92</b>	<b>(0.02)</b>	<b>10.91</b>

#### Deferred tax assets / liabilities as at March 31, 2017

Particulars	As at April 1, 2016	Recognized in Statement of Profit and Loss and Consolidation Adjustment	Recognized in Other Comprehensive Income	As at March 31, 2017
Property, Plant and Equipment	10.82	(9.16)	-	1.66
Retirement and employee Benefits	4.64	9.66	-	14.30
Other tax disallowances	-	(13.02)	-	(13.02)
MAT Credit entitlement	0.07	-	-	0.07
<b>Total</b>	<b>15.53</b>	<b>(12.52)</b>	<b>-</b>	<b>3.01</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.111.65 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## 18. Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(A) Income from investments		
Dividends	0.01	0.86
	<b>0.01</b>	<b>0.86</b>
(B) Others		
Exchange Fluctuation (net)	7.91	5.70
Interest income	1.81	1.38
Interest on fair valuation of security deposits	0.91	0.52
Provision for diminution no longer required written back	-	2.52
Profit on Sale of assets (fixed assets and investments)	3.93	0.15
Miscellaneous Receipts	8.50	8.17
	<b>23.06</b>	<b>18.44</b>
	<b>23.07</b>	<b>19.30</b>

## 19. Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	1,270.34	1,135.21
Contribution to Provident and other funds	46.16	28.14
Share based compensation to employees	1.20	5.95
Staff Welfare Expenses	36.42	38.20
	<b>1,354.12</b>	<b>1,207.50</b>

## 20. Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense		
- On loans from banks	47.76	40.18
- Others	0.91	0.52
Other borrowing cost	3.47	5.81
	<b>52.14</b>	<b>46.51</b>



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 21. Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Licence cost	61.15	39.74
Rent	63.34	65.35
Travel and conveyance	69.37	85.90
Insurance	19.31	19.58
Rates and Taxes	4.11	6.34
CSR Expenditure	0.80	1.24
Power and Fuel	17.39	14.33
Repairs to Buildings	19.02	19.92
Repairs to Plant	6.96	4.79
Communication Expenses	20.01	23.07
Bad debts written off	3.21	6.59
Payment to statutory auditors		
- As Auditors	9.28	8.02
- reimbursement of expenses	0.10	0.06
Legal, Professional and consultancy charges	8.87	14.28
Advertisement, Publicity and Sale Promotion	25.29	26.54
Miscellaneous expenses	27.81	18.83
	<b>356.02</b>	<b>354.58</b>

### 22. Depreciation & Amortisation Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation	20.00	11.12
Amortisation Expense	8.71	2.02
	<b>28.71</b>	<b>13.14</b>

### 23. Transition to Ind AS

These consolidated financial statements of Saksoft Limited for the year ended 31st March 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For the purposes of transition to Ind AS, using April 1, 2016 as the transition date, the Company has followed the guidance prescribed in Ind AS 101 – First time adoption of Indian Accounting Standards.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in Note 23 c). Exemptions on first time adoption of Ind AS availed with Ind AS 101 have been set out as below:

#### a) Exceptions from full retrospective application

**Estimates exception:** Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**23. Transition to Ind AS** (Contd.)

b) Exemptions availed on first time adoption of Ind AS

**Share-Based Payment:**

The Company is encouraged, but not required, to apply Ind AS 102 Share-Based payment to equity instruments that vested before date of transition to Ind AS. The Company has elected to avail this exemption and therefore is exempted from fair valuation of equity instruments that vested before date of transition to Ind AS.

**Investments in subsidiaries, joint ventures and associates:**

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

**Property, Plant and Equipment:**

The Company has elected to measure items of property, plant and equipment and intangible assets at cost.

**24. Additional notes**

a. Contingent Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
1. Income-tax matters	34.62	29.72
2. Service-tax matters	39.01	32.61

The future cash outflows on the items 1 & 2 above are determinable only on the receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of those proceedings to have an adverse material effect on its financial results.

b. Finance lease obligations

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Future obligations for assets taken on lease</b>			
Not later than 1 year	0.65	0.77	0.63
Later than 1 year but not later than 5 years	0.29	0.94	0.13
	<b>0.94</b>	<b>1.71</b>	<b>0.76</b>
<b>Less: Amounts representing future interest</b>			
Not later than 1 year	0.07	0.14	0.07
Later than 1 year but not later than 5 years	0.01	0.08	0
	<b>0.08</b>	<b>0.22</b>	<b>0.07</b>
<b>Present value of minimum lease rentals</b>			
Not later than 1 year	0.57	0.63	0.56
Later than 1 year but not later than 5 years	0.28	0.86	0.13
	<b>0.85</b>	<b>1.49</b>	<b>0.69</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### c. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Industries Inc Sak Abrasives Inc Sakserve Private Limited Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust Sak Industries Pte Ltd
Key Management Personnel	Mr Aditya Krishna – Chairman and Managing Director Mr Niraj Kumar Ganeriwal- Chief Financial Officer Mr Muthukrishnan S Company Secretary Ms Kanika Krishna - Director
Relatives of Key managerial Personnel	Ms Avantika Krishna- Employee

#### c. Related party disclosures (continued)

Transactions entered during the year

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>Rent expense</b>		
Sak Industries Private Limited	13.28	13.76
<b>Dividend paid</b>		
Sak Industries Private Limited	13.66	13.66
Chairman and Managing Director	6.96	6.36
Chief Financial Officer	0.19	0.13
Saksoft employees welfare Trust	1.60	1.60
<b>Interest on loan</b>		
Sak Industries Private Limited	25.63	21.02
Sak Industries Pte Limited	3.22	3.35
<b>Borrowings / (Repayments), net</b>		
Sak Industries Pte Ltd	-	-
Sak Industries Private Limited	30.00	30.00
<b>Reimbursement of expenses</b>		
Sak Industries Pvt Ltd	0.67	0.65
<b>Remuneration of Key Managerial Personnels</b>	15.18	13.46
Non-Executive Director Commission	0.10	0.10
Non-Executive Director - Sitting Fees	0.12	0.13
<b>Shares allotted under ESOP 2009 scheme</b>		
Chief Financial Officer	10,000	20,000
<b>Interest Free Loan</b>		
Chief Financial Officer	-	(0.50)

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

**Year end balances**

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>Loans and advances</b>		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.03	0.02
<b>Borrowings</b>		
Sak Industries Private Limited	245.00	215.00
Sak Industries Pte Ltd	64.82	64.72

**d. Segment information**

The CFO of the Company has been identified as the Chief Operating Decision Maker. The CODM has considered only IT Business as the operating segment as defined under Ind AS 108. The Company's operations primarily relate to providing information technology ('IT') services.

Geographic location of customers	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
<b>Revenue</b>			
India	124.30	143.26	154.88
Europe	900.26	884.62	779.18
USA	1728.34	1490.17	1422.86
Singapore	105.80	76.98	80.40
	<b>2858.70</b>	<b>2595.03</b>	<b>2437.32</b>

Fixed assets used in the Company's business, assets or liabilities contracted, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

During the years ended 31 March 2018 and 2017, two customers, each of them contribute to 10% or more of the Group's total revenue and the top five customers accounted for 42% and 40% of the revenue of the Group respectively.

**e. Gratuity**

**PROFIT & LOSS ACCOUNT EXPENSE:**

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

	Period Ended	
	31-Mar-18	31-Mar-17
Current service cost	8.81	8.31
Past service cost	3.22	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	1.45	1.30
(Gains) / losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>13.48</b>	<b>9.61</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:

	Period Ended	
	31-Mar-18	31-Mar-17
Discount rate (p.a.)	7.45%	7.15%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

#### Amount Recorded in Other Comprehensive Income

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

	Period Ended	
	31-Mar-18	31-Mar-17
Opening amount recognized in OCI outside profit and loss account	(1.14)	-
Remeasurements during the period due to		
Changes in financial assumptions	(2.43)	(0.01)
Changes in demographic assumptions	(0.87)	(0.78)
Experience adjustments	1.25	(0.43)
Actual return on plan assets less interest on plan assets	0.09	0.08
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>(3.10)</b>	<b>(1.14)</b>

The following table sets out the status of the gratuity plan.

	Period Ended		
	31-Mar-18	31-Mar-17	01-Apr-16
Opening of defined benefit obligation	31.58	19.50	
Consolidation Adjustment		7.89	15.41
Current service cost	8.81	8.31	3.71
Past service cost	3.22	-	-
Interest on defined benefit obligation	2.14	2.04	1.43
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	(2.43)	(0.01)	(0.48)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.87)	(0.78)	

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

	Period Ended		
	31-Mar-18	31-Mar-17	01-Apr-16
Actuarial loss / (gain) arising on account of experience changes	1.25	(0.43)	
Benefits paid	(5.57)	(4.94)	(0.57)
Liabilities assumed / (settled)*	-	-	-
Liabilities extinguished on settlements	-	-	-
<b>Closing of defined benefit obligation</b>	<b>38.13</b>	<b>31.58</b>	<b>19.50</b>

	Period Ended		
	31-Mar-18	31-Mar-17	01-Apr-16
Opening fair value of plan assets	8.81	8.93	7.01
Employer contributions	5.88	4.17	2.06
Interest on plan assets	0.69	0.73	0.57
Administration expenses	-	-	-
Remeasurements due to:			
Actual return on plan assets less interest on plan assets	(0.09)	(0.08)	(0.14)
Benefits paid	(5.57)	(4.94)	(0.57)
Assets acquired / (settled)*	-	-	-
Assets distributed on settlements	-	-	-
<b>Closing fair value of plan assets</b>	<b>9.72</b>	<b>8.81</b>	<b>8.93</b>

**Sensitivity Analysis:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period Ended 31 March 2018	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.70)	0.66
Impact of decrease in 50 bps on DBO	0.75	(0.63)

**f. Employee Stock option plans ('ESOP')**

**ESOP 2006 Plan**

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nominations and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.10 each represent shares held by the Trust. During the year no options have been granted under this plan.

The details of options granted under this ESOP 2006 plan are:

Particulars	Year ended March 31,			
	2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	27,500	44.25	37,500	44.25
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	(10,000)	44.25
Options forfeited during the year	-	-	-	-
Options lapsed during the year	(27,500)	44.25	-	-
Options outstanding at the end of the year	-	-	27,500	44.25
Options vested and exercisable at the end of the year	-	-	27,500	44.25

#### ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The plan considers an aggregate of 1,000,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee. The outstanding options available for exercise under the ESOP 2009 as on 31st March 2018 is 185,000 options, of which 75,000 options being unvested.

During the year, the Board of Directors have allotted 20,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of Rs.44.25 per option (10,000 equity shares) and on 8th July 2014 at a grant price of Rs.93.00 per option (10,000 equity shares) under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on



**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
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**24. Additional notes** (Contd.)

30 October 2017 for 20000 shares. The paid up share capital of the Company after allotment of 20,000 equity shares stands at 10,475,000 Equity Shares as of 31st March 2018. During the year no options have been granted under this plan.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31,			
	2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	3,75,000	151.64	5,15,000	129.00
Options granted during the year	-		1,05,000	221.89
Options exercised during the year	(20,000)	68.63	(60,000)	44.25
Options forfeited during the year	-		-	
Options lapsed during the year	(1,70,000)	178.59	(1,85,000)	163.31
Options outstanding at the end of the year	1,85,000	135.85	3,75,000	151.64
Options vested and exercisable at the end of the year	1,10,000	133.18	1,05,000	125.01

**g. Earnings Per Share (EPS)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Earnings</b>		
Net profit for the year	218.33	170.95
<b>Shares</b>		
Equity shares as at the balance sheet date	99,42,540	10,455,000
Total number of equity shares outstanding at the end of the year – Basic	99,42,540	10,455,000
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>9,930,869</b>	<b>9,882,924</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	10,475,000	10,416,946
Add: Weighted average number of equity Shares held by Saksoft employees welfare trust		
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	72,907	201,081
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,547,907</b>	<b>10,618,027</b>
Earnings per share of par value Rs.10 – Basic (Rs.)	21.98	17.30
Earnings per share of par value Rs.10 – Diluted (Rs.)	20.70	16.10

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### h. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company there is no amount outstanding as on 31.03.2017. There are no overdue principle amounts and therefore no interest is paid or payable.

The principal amounts and interest due thereon, remaining unpaid to any supplier at the end of each accounting year			
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act,2006	-	-	-

#### i. Dividend

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2018, year ended March 31, 2017 and March 31, 2016 was Rs.3.50, Rs.3.00 and Rs.3.00 respectively

The Board of Directors at its meeting held on 26th May 2017 had recommended a dividend of 30% (Rs.3 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 7th August 2017. This has resulted in a cash flow of Rs.33.38 million (including dividend distribution tax of Rs.2.01 million).

The Board of Directors in its meeting held on 30th May 2018 have recommended a final dividend of Rs.3.50 per equity share of par value of Rs.10/- each which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately Rs.36.66 million plus applicablw dividend distribution tax.

#### j. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

The capital structure of the Company consists of debt and total equity of the Company as tabled below:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total equity attributable to equity share holders of the Company	1,480.17	1,250.18	1,326.76
Current borrowings	103.92	61.14	43.74
Non-current borrowings	380.49	410.90	321.22
Total debt held by the Company	484.41	472.04	364.96

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total capital (Equity and Debt)	1,964.58	1,722.22	1,691.72
Equity as a percentage of total capital	75%	73%	78%
Debt as a percentage of total capital	25%	27%	22%

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

**k. Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	Balance as at March 31, 2018	Balance as at March 31, 2017	Balance as at April 1, 2016
<b>Financial Assets</b>			
<b>Amortized Cost</b>			
Trade and other receivables	584.31	507.10	496.72
Cash and cash equivalents	300.20	223.11	200.45
Loans	2.01	3.31	6.07
Others financial assets	97.86	93.59	82.00
<b>Fair value through Other Comprehensive Income (FVTOCI)</b>			
Derivative instruments in hedging relationship	0.70	5.82	3.26
<b>Fair value through Profit and Loss (FVTPL)</b>			
Investments	-	1.10	27.05
<b>TOTAL ASSETS</b>	<b>985.08</b>	<b>834.03</b>	<b>815.55</b>
<b>Financial Liabilities</b>			
<b>Amortized Cost</b>			
Borrowings	424.68	418.90	324.41
Trade Payables	286.26	220.98	216.10
Other financial liabilities	137.22	72.04	63.71
<b>TOTAL LIABILITIES</b>	<b>848.16</b>	<b>711.92</b>	<b>604.22</b>

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, bank overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### I. Fair Value Measurement Hierarchy

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2018, March 31, 2017 and April 1, 2016 amounts to Rs.0.70 million, Rs.5.82 million and Rs.3.26 million respectively. There have been no transfers between Level 1 and Level 2 during the year.

#### Foreign Exchange Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Foreign currency forward - USD/INR	0.75	5.71	3.26
Foreign currency forward - GBP/INR	(0.05)	0.11	-
	<b>0.70</b>	<b>5.82</b>	<b>3.26</b>

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Foreign currency forward - (USD in Million)	0.90	1.35	1.80
Foreign currency forward - (GBP in Million)	0.03	0.02	-

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

**m. Financial Risk Management**

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below

**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

The maximum amount of exposure to credit was as follows:

Particulars	Balance As at March 31, 2018	Balance As at March 31, 2017	Balance As at April 1, 2016
Investments	-	1.10	27.05
Trade receivables	584.31	507.10	496.72
Cash and cash equivalents	300.20	223.11	200.45
Loans	2.01	3.31	6.07
Other financial assets	98.56	99.41	85.26
<b>TOTAL</b>	<b>985.08</b>	<b>834.03</b>	<b>815.55</b>

**Trade receivables:**

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Movement in expected credit loss allowance / allowance for doubtful debts is as below:

Particulars	Balance As at March 31, 2018	Balance As at March 31, 2017
Balance at the beginning of the year	8.92	6.06
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (Net of reversals)	(0.59)	2.86
<b>Balance at the end of the year</b>	<b>8.33</b>	<b>8.92</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

**Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:**

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2018</b>			
Borrowings	103.92	334.48	46.02
Trade Payables	286.26		
Other financial liabilities	77.48		
<b>As at March 31, 2017</b>			
Borrowings	61.14	60.50	350.40
Trade Payables	220.98	-	-
Other financial liabilities	18.90	-	-
<b>As at April 1, 2016</b>			
Borrowings	43.74	291.22	30.00
Trade Payables	216.10	-	-
Other financial liabilities	23.16	-	-

#### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)

Particulars	Balance As at March 31, 2018	Balance As at March 31, 2017	Balance As at April 1, 2016
Cash and cash equivalents			
In US Dollars	2.02	1.69	1.83
In Singapore Dollars	0.35	0.41	0.65
In Pound Sterling	1.04	0.60	0.40
In Euro	-	-	0.05
Trade receivables			
In US Dollars	6.49	5.48	4.29
In Singapore Dollars	0.72	0.51	0.43
In Pound Sterling	2.04	2.00	1.82
In Euro	0.49	0.20	0.14
Trade payables			
In US Dollars	2.04	0.65	0.28
In Singapore Dollars	0.03	0.00	0.00
In Pound Sterling	2.30	2.24	1.85
In Euro	0.13	0.03	0.03

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate.

**n. Corporate Social Responsibility (CSR) Expenditure :**

(a) Gross amount required to be spent by the company during the year - Rs.2.87 million

(b) Amount spent during the year on :

Particulars	Amount spent during the year	Amount to be spent	Total
(i) Construction/acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	1.39	1.48	2.87



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 24. Additional notes (Contd.)

#### o. Disclosure of provisions and contingencies as per Ind AS - 37

Particulars	Provision for leave encashment	Provision for Gratuity
Opening Balance as at 1st April 2016	3.09	10.57
Additional provision created during the year	10.52	12.20
Reversal / Payments during the year	4.94	-
<b>Closing Balance as at 31st March 2017</b>	<b>8.67</b>	<b>22.77</b>
Opening Balance as at 1st April 2017	8.67	22.77
Additional provision created during the year	5.03	13.49
Reversal / Payments during the year	5.70	7.84
<b>Closing Balance as at 31st March 2018</b>	<b>8.00</b>	<b>28.42</b>

#### p. Business Combinations

##### Acquisition of Faichi Solutions LLC

Effective 1st January 2018, Saksoft Inc (a wholly owned subsidiary of the Company) acquired 100% membership interest in Faichi Solutions LLC, thereby obtaining controlling interest.

Faichi Solutions LLC is a key player in providing technology solutions to Healthcare Companies which include Product Development, Integration, Meaningful Use Compliance, BI / Analytics, Chronic Care Management and Wellness. The acquisition of Faichi Solutions LLC under the US Subsidiary, enables the Group to increase its footprint in US Geography.

The agreement was executed through a Membership Interest Purchase Agreement dated 26th December 2017 for an estimated consideration of \$1.54 million which includes an estimated deferred earn-out component of \$0.94 million (Rs.60.93 million), representing share of the future earnings for the next three financial years beginning from 1st April 2018. The contingent consideration payable over three years has been recognised at its fair value as at 31st March 2018.

Sl. No.	Nature of consideration	Amount (in \$)	Fair value (\$)	Terms
1	Upfront cash consideration	0.6 million	0.6 million	-
2	Contingent consideration	0.94 million	0.94 million	Payable in three instalments at the end of every financial year beginning from 1st April 2018 determined based on achievement of certain financial targets and pre-determined conditions.

Note: In view of insignificant interest rates prevalent in the US the amount provided for as at 31st March 2018 towards the contingent consideration is reckoned as its fair value

The following table represents allocation of provisional purchase price:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	0.10	-	0.10
Goodwill	-	-	99.73
<b>Total Purchase Price</b>	<b>-</b>	<b>-</b>	<b>99.83</b>

The Goodwill amounting to Rs.99.73 million is attributed to value of synergies perceived on acquisition, besides future revenues, future market developments and assembled workforce. None of the Goodwill arising on acquisition is deductible for tax purposes in India.

**Notes forming part of the Consolidated Financial Statements** for the year ended 31 March 2018  
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**24. Additional notes** (Contd.)

From the date of acquisition, Faichi Solutions LLC has contributed revenue amounting to \$ 0.26 million and profits / (loss) amounting to \$0.04 million to the Group's results for the period ended 31st March 2018. If the acquisition had occurred on 1st April 2017, management estimates that the consolidated revenue and profits for the period would have been \$ 1.40M and \$ 0.30 M respectively. The proforma amounts are not necessarily indicative of results that would have occurred had the acquisition occurred on the indicated date or that may result in the future.

**q. Additional information required as per Part 2 of Schedule III of Companies Act, 2013**

Name of Entity	Net assets		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive income	Amount
<b>Parent</b>								
Saksoft Ltd	34%	777.53	30%	91.08	113%	(5.11)	29%	85.97
<b>Indian Subsidiaries</b>								
ThreeSixty Logica Testing Services Pvt Ltd and its subsidiary	5%	106.08	14%	42.92	0%	(0.02)	14%	42.90
DreamOrbit Softech Pvt Ltd and its subsidiary	7%	153.08	21%	64.40	-13%	0.59	22%	64.99
<b>Foreign Subsidiaries</b>								
Saksoft Inc and its Subsidiaries	9%	207.88	12%	35.07	0%	-	12%	35.07
Saksoft Pte	3%	75.85	3%	8.21	0%	-	3%	8.21
Saksoft Solutions and its subsidiaries	42%	966.51	20%	61.16	0%	-	21%	61.16
<b>Subtotal</b>		<b>2,286.93</b>		<b>302.84</b>		<b>(4.54)</b>		<b>298.30</b>
Employee Welfare Trust		15.42		1.60		-		1.60
Adjustment arising out of consolidation		(761.31)		(60.35)		43.01		-17.33
<b>Minority Interest in Subsidiary</b>								
DreamOrbit Softech Pvt Ltd and its subsidiary		(60.86)		(25.76)		-0.64		-26.40
<b>Total</b>		<b>1,480.17</b>		<b>218.33</b>		<b>37.83</b>		<b>256.17</b>

Vide our report of even date attached

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Aditya Krishna**  
Chairman & Managing Director  
DIN: 00031345

**Ajit Thomas**  
Director  
DIN: 00018691

**Mahesh Krishnan**  
Partner  
Membership No: 206520

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

Date: May 30, 2018  
Place: Chennai

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (All amounts in Rupees millions)

#### Part-A: Subsidiaries

S. No.	Name of the Subsidiary	1 Saksoft Inc & its subsidiary	2 Saksoft Pte Ltd	3 Saksoft Solutions Ltd and its subsidiaries	4 Three Sixty Logica Testing Services Pvt Ltd & its subsidiary	5 DreamOrbit Softech Private Limited
2	Reporting Period for the Subsidiary	1st April - 31st March	1st April - 31st March	1st April - 31st March	1st April - 31st March	1st April - 31st March
3	Reporting Currency and exchange rate as on the last date of the relevant Financial year	USD, Ex Rate 64.82/USD	SGD, Ex Rate 49.38/SGD	GBP, Ex Rate 90.81/GBP	INR	INR
4	Share Capital	INR 9.24 m-195000 equity shares of 555002 USD 1 each fully paid up	INR 19.17m- equity shares of 555002 USD 1 each fully paid up	INR 434.45m- 5001000 equity shares of GBP 1 each fully paid up: INR 32.69m - 376015 5% Cumulative Redeemable Preference Shares of GBP 1 each fully paid up	INR 0.10m - 10000 equity shares of INR 10 each fully paid up	INR - 0.14m - 14150 equity shares of INR 10 each fully paid up
5	Reserves & Surplus	(171.54)	(56.68)	(499.37)	(105.98)	(152.93)
6	Total Assets	591.15	86.57	1,295.08	177.25	226.49
7	Total Liabilities	(410.37)	(10.72)	(328.57)	(71.17)	(73.41)
8	Investments	-	-	-	-	-
9	Turnover	1,045.87	105.80	900.26	282.02	449.78
10	Profit Before Taxation	69.96	9.32	62.46	62.40	83.18
11	Provision for Taxation	25.24	1.11	1.30	19.48	18.78
12	Profit After Taxation	44.72	8.21	61.16	42.92	64.40
13	Interim Dividend + Tax	-	-	-	36.11	-
14	Proposed Dividend	-	-	-	-	-
15	% of Shareholding	100.00	100.00	100.00	100.00	60.00

Notes: Subsidiaries which are yet to commence operations



