SAKSOFT
your digital transformation partner

SAKSOFT LIMITED

ANNUAL REPORT, 2016-17

The Next orbit!

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 2016-17.

DOCUMENT CONTENTS

CORPORATE IDENTITY 01

INTO THE NEXT GROWTH ORBIT 03

DASH BOARD 04

SUMMARY REPORT: LETTER TO SHAREHOLDERS 06

FINANCIAL HIGHLIGHTS, FISCAL 2017 08

DREAMORBIT ACQUISITION 10

OUR STRATEGY TO ENHANCE SHAREHOLDER VALUE 12

SAKSOFT BUSINESS MODEL AND STRATEGY 14

BOARD OF DIRECTORS PROFILE 16

DIRECTORS' REPORT 18

REPORT ON CORPORATE GOVERNANCE 47

MANAGEMENT DISCUSSION AND ANALYSIS 61

RISK MANAGEMENT FRAMEWORK 68

FINANCIAL STATEMENTS 70

NOTICE 135

Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director
Aditya Krishna

Independent Non Executive Directors
Amitava Mukherjee
Ajit Thomas
V. V. R. Babu
R. Rajagopalan (Resigned w.e.f. 13.08.2016)

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

Executive VP, Sales & Marketing and CEO, Acuma Solutions,
Amit Chatterjee

Vice President – APAC Sales
Bhaskar Narayanan

Director – Consulting and Public Sector - Head
Jonathan Eeley

COMPANY SECRETARY & COMPLIANCE OFFICER

S.Muthukrishnan

WEBSITE

www.saksoft.com
www.acuma.co.uk
www.edprof.com
www.360logica.com
www.dreamorbit.com

EMAIL

info@saksoft.com
complianceofficer@saksoft.co.in
investorqueries@saksoft.co.in

AUDITORS

M/s Suri & Co.,
Chartered Accountants
No.4 (Old No.55A), Chevalier Sivaji Ganesan Salai, (South Boag Road),
T.Nagar, Chennai 600 017

BANKERS

IndusInd Bank., Chennai
The Ratnakar 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

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

Chennai

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

Phone: +91 44 2454 3500
Fax: +91 44 2454 3510

Noida

B 35 36, Sector 80, Phase II,
Noida 201305.

Phone: +91 120 42682 31/33
Fax: +91 120 2462 179

Manchester

Applicon House,
Exchange Street,
Stockport, United Kingdom,
SK3 0EY.

Phone: +44 161 241 4321
Fax: +44 161 241 4250

Bengaluru

Ascend-19, 2nd Floor,
1st Cross,
17th C Main, 5th Block,
Koramangala,
Bangalore 560 095

Phone: +91 80 4098 9881

FINANCE
/Promotion
/Research
/Business
/Development
/Engineering
/Manufacturing
/Planning

At Saksoft, our objective is to remain consistently customer-relevant in a dynamic industry environment.

Over the years, we have enhanced this relevance by plugging strategic gaps in our offerings and services while pursuing best-fit acquisitions.

In 2016-17, we reinforced this strategic commitment; we continued to grow organic initiatives while acquiring DreamOrbit Softech, a niche IoT play, addressing the logistics and transportation domains.

The combination of Saksoft's core competence, coupled with select acquisitions – Acuma, 360Logica, EDP and DreamOrbit – promise to graduate the Company.

Into the next growth orbit.

Saksoft Limited.

India's specialist listed business transformation and information management enterprise possessing niche IoT capabilities.

Positioned to graduate the Company into the next growth orbit.

Group dashboard

Why Saksoft?

As a niche and specialist technology play, Saksoft converges integrated solutions. These solutions span application development, cloud, business analytics, information management, testing and IoT capabilities. The result: faster business transformation capabilities with reduced risk.

What is our overarching relevance?

At Saksoft, we are helping businesses and public sector enterprises across global strategic markets.

What is our people strength?

Saksoft possesses robust intellectual capital comprising around 1,000+ workforce in India, US, UK and Singapore.

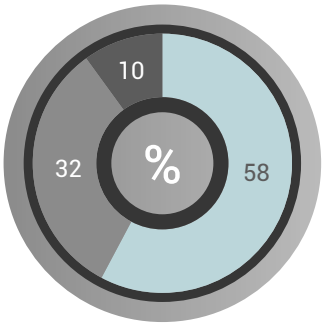
Who are our customers?

Saksoft's customers are located across the world; these include public sector enterprises and private sector corporations. Our customers operate across a number of large and growing domains like public sector, logistics, BFSI, healthcare, telecom automotive,manufacturing,retail, e-commerce and education.

The 2016-17 dashboard

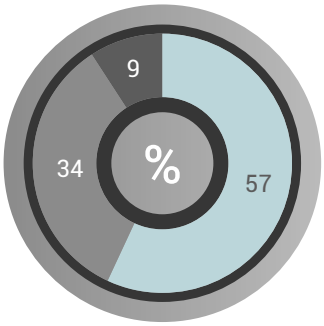
What is our geographic footprint?

Geography and
Percentage of 2015-16 revenues



USA UK Asia-Pacific

Geography and
Percentage of 2016-17 revenues



USA UK Asia-Pacific

Business highlights, 2016-17

- Acquired Bengaluru-headquartered DreamOrbit Softech Private Limited in December 2016, a strategic fit with the Saksoft Group
- Bagged a prestigious business transformation mandate from Port Authority in Singapore, among our largest such projects in the region
- Enhanced stake in 360Logica, a testing services firm, to 76% from 51% in July 2016; the acquisition of a larger stake will help enlarge Saksoft's testing domain footprint
- Created a specialized bid management team in Chennai and Noida mandated with the objective to engage with a larger customer segment across geographies and enhance the Company's ability to bid for and bag new projects
- Hired qualified and experienced personnel in the areas of pre- and post-sales customer service across geographies

Financial highlights, 2016-17

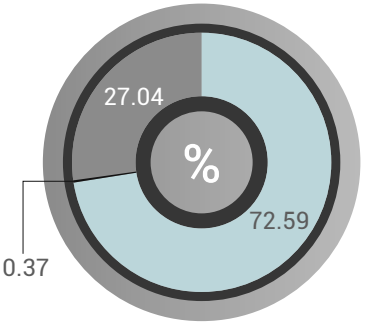
- Revenues increased 6.5% to ₹259.50 crore
- EBITDA stood at ₹ 35.56 crore
- Net profit stood at ₹ 17.84 crore
- EPS stood at ₹18.06
- RoE stood at 14%

Value dashboard

What was our 2016-17 closing market cap?

₹260 crore, up 10.5% over the close of 2015-16.

What was the shareholding pattern, as on 31 March 2017?



Promoter DII/FII Public

What is our NSE security code and equity share face value?

SAKSOFT EQ. ₹10/- per equity share.

What was the dividend proposed for 2016-17?

30%, translating into ₹3/- per equity share of ₹10 face value.

Summary report:
Letter to shareholders

Dear Shareholders

The world is disrupting like never before.

Everyday experiences are no longer what they used to be.

Buying a vehicle, depositing cash, booking accommodation, reserving movie tickets, calling for grocery, monitoring fitness, trying garments and even telling the time are becoming unrecognizable from what they were even a few years ago.

New products and services, driven by technology, promising greater relevance and higher value, are transforming the way we live and work.

The might of data

Data is the new oil.

Today's world is exploding with data, devices, content and touch-points. The result is that enterprises and institutions require more platforms, systems and processes to connect and interpret data complexity. This in turn is being used to determine the ways in which brands/services remain relevant to first-time or enduring buyers.

This disruption is the new normal. The result is that industries and businesses are experiencing fundamental challenges in responsiveness. Businesses that succeed today will be ones that offer new value sources, deliver a memorable customer experience, adapt with velocity and access global innovation.

The result is that GE believes that the 'Industrial Internet', their term for IoT, will add USD 10-15 trillion to global GDP in 20 years; CISCO believes IoT could generate USD 4.6 trillion over 10 years for the public sector and USD 14.4 trillion for the private sector.

The message is clear: this is the space in which to build long-term presence, competence and capacity.

The Saksoft niche

At Saksoft, we are building a specialized and world-class IT services company anchored around digital transformation.

This is not just a vision or intent statement; this is our survival guide

in a competitive landscape marked by players who are tens of times larger than companies like ours.

Saksoft is positioned as a niche technology specialist providing a comprehensive suite of business transformation, information management, application development and testing services. These services help clients level the playing field; they enable us to compete effectively; they reinforce our business model around specialization over scale.

This then is the result: Saksoft projects are smaller, focused and shorter. While our digital solutions are anchored around helping clients transform their business spaces, some of our larger peers are focused on helping customers run their businesses. This fine difference represents our edge and platform to build customer value and loyalty in a sustainable way.

'String of pearls' strategy

Saksoft has built its business around three pillars:

Build: Organic innovation derived from our engineering teams.

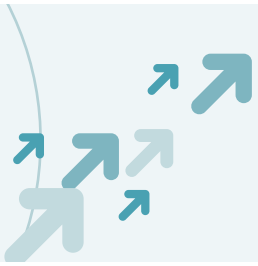
Partner: Unique solutions and go-to-market strategies using technology and services partners.

Acquire: Acquisitions focused around key priority areas like IoT.

Saksoft acquired the UK-based Acuma, a business transformation enterprise in 2006. Since then, the acquired company's quality of revenues and margins grew consistently with a considerable number of new business wins during the year under report. The impact of 'Brexit' (Britain's exit from the European Union) was minimal on our business; in fact, Brexit provided a strong tailwind as the government increased spending on civic amenities and infrastructure. Acuma, being a strong local IT services brand, reported nearly 25% revenue growth in 2016-17.

Saksoft acquired 360Logica in 2015. The testing services business under 360Logica performed commendably with 11% revenue growth in 2016-17. Since the Company reached targeted milestones in terms of business wins, revenue and profitability, Saksoft invested INR 80 mn in enhancing its 360Logica stake from 51% to 76% in July 2016.

Saksoft acquired DreamOrbit Softech, a Bengaluru-based company, in December 2016. The acquired company specializes in IoT complementing the logistics domain. The acquisition represented a strategic fit, providing deep IoT capabilities through a 270+ team engaged in cutting-edge engagements for leading third-party logistics companies in the US and Australia. The DreamOrbit acquisition represented a decisive step in our digital transformation journey: we added a critical edge to our service offerings, enhancing our up-sell and cross-sell ability, strengthening our customer intimacy and opening a new domain in the logistics sector.



Saksoft invested INR 80 mn in enhancing its 360Logica stake from **51% to 76% in July 2016.** Saksoft invested INR 170 mn for a 60% stake in DreamOrbit Softech, an IoT play in Dec 2016.

Focusing on our people and culture

At Saksoft, our financial and operational results would not have been possible without the commitment of our employees. As a specialist in digital transformation, information management and testing services business, we provide tools for our people to be more connected and engaged. One of the things about which I am most pleased is that we consistently use technology and expertise to migrate customers to an increasingly digital world.

Our time starts now

At Saksoft, we address an unprecedented opportunity to deliver innovation across application development, information management and testing services, helping customers transform and achieve their business objectives. We are evolving our culture to move quicker, building on the success of the last 17-plus years. I am excited that we achieved much success in our digital journey, even as we have added IoT capabilities through the DreamOrbit acquisition and moved into the fast-growing logistics and transportation verticals.

In fiscal 2018, we will continue to focus on driving profitable and sustainable growth. We will build on the momentum generated over the last fiscal year. We will strengthen our digital offerings and, as a core strategy, provide services/platforms/solutions to various lucrative geographies.

Thank you for your continued support.

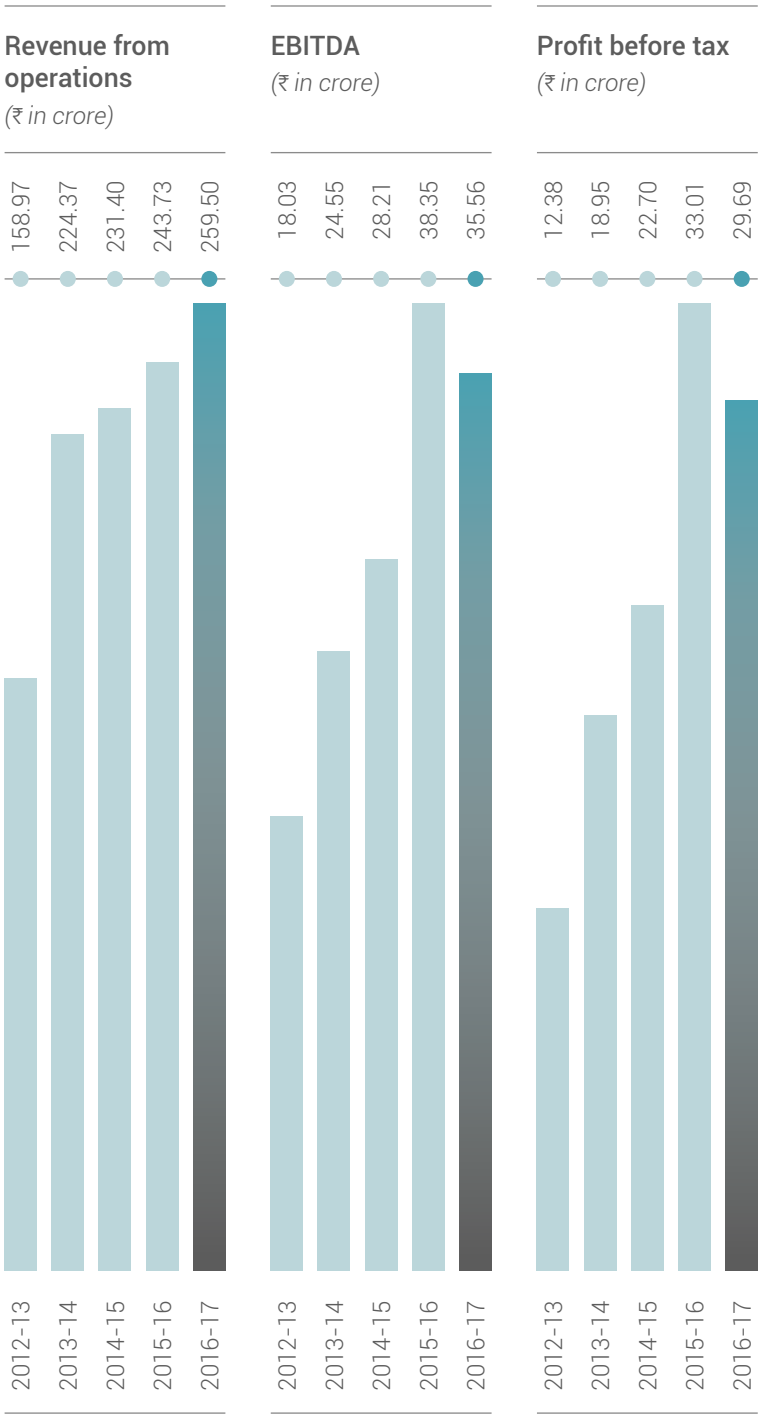
With my best wishes,

Aditya Krishna

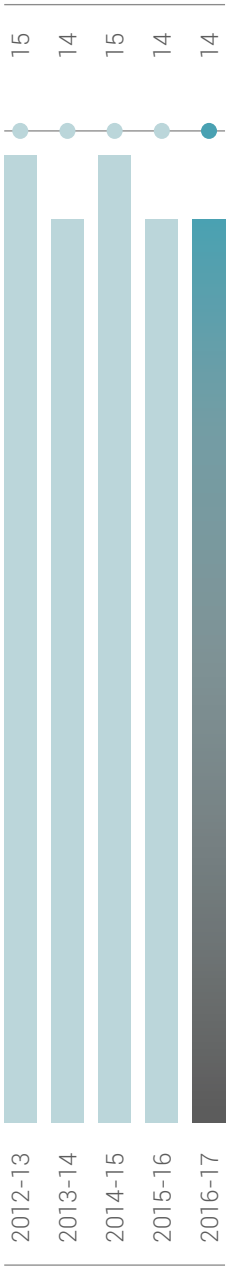
Chairman and Managing Director

Financial highlights, fiscal 2017:

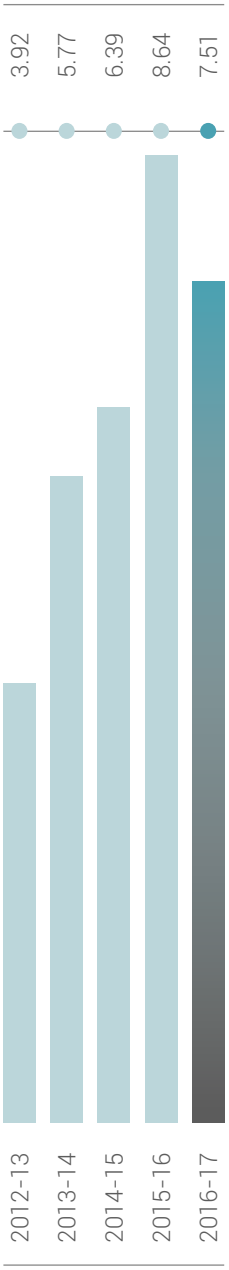
Strong execution driving profitable and sustainable growth



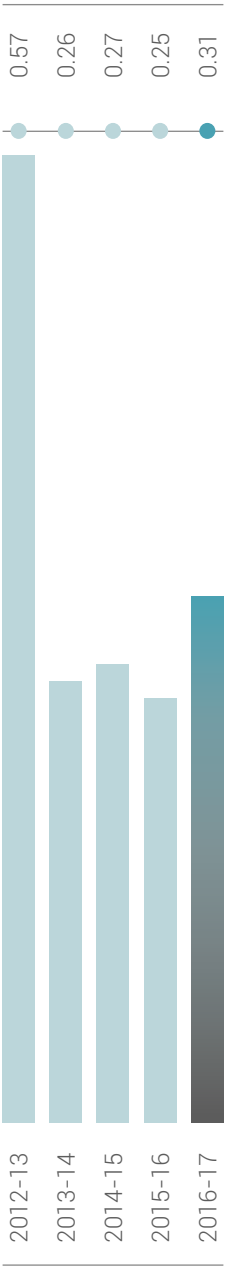
Return on equity
(%)



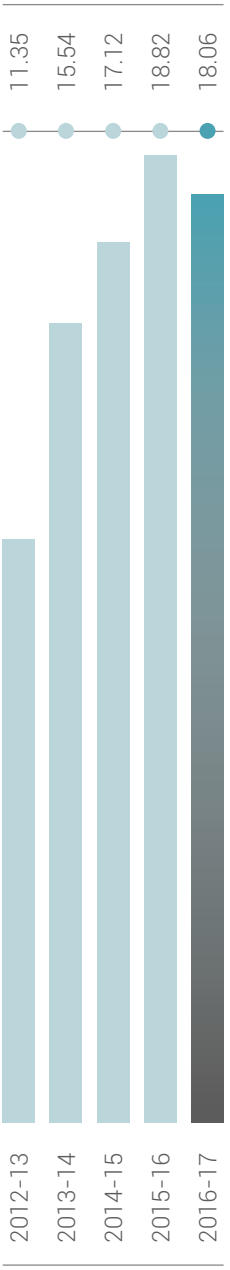
Interest cover
(x)



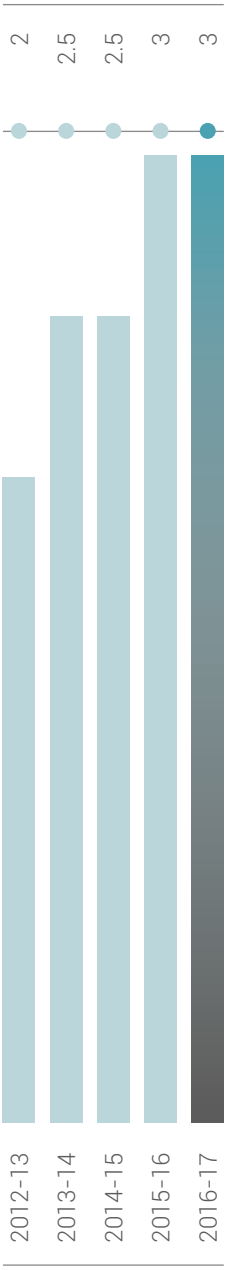
Debt-equity ratio
(x)



Earnings per share
(₹)



Dividend per share
(₹)



The DreamOrbit acquisition.

For Saksoft: EBITDA-accretive; creating Saksoft's IoT presence; bringing US logistics customers.

For DreamOrbit: Access to a larger technology umbrella; access to Saksoft's front-end marketing teams; enhanced geographical presence.

Overview

A product's cost passes through a number of channels before reaching the consumer. Around 10% of the product cost is incurred in physical product transfer to the consumer. DreamOrbit offers retail and e-commerce solutions extending from supply chain management to reverse logistics management. The Company helps customers control logistics costs through IoT technology. The customer benefit: products reach destinations faster, protected and at lower costs.

About DreamOrbit

The Bengaluru-based DreamOrbit closed 2016-17 with revenues of ₹354.3 mn (22% up over 2015-16 and with a 31% CAGR over three years). The Company's 270-member team offers specialised end-to-end solutions to customers engaged in the trucking, domestic and international third-party logistics (3PL), hyper-local and last-mile delivery businesses. The Company relies extensively on Internet of Things (IoT)-based solutions for route and fuel optimization, temperature-sensitive shipments, real-time tracking, geo-fencing and carbon footprint management. The Company works with about 70 clients; 90% are located in the US and the rest in Australia and India.

Revenues
(₹ mn)

2014-15	2015-16	2016-17
207.02	291.13	354.31

Net profit
(₹ mn)

2014-15	2015-16	2016-17
13.89	13.45	38.08

EBITDA
(₹ mn)

2014-15	2015-16	2016-17
29.73	30.20	65.92

Employee strength

2014-15	2015-16	2016-17
200	274	251

DreamOrbit and Saksoft

Saksoft acquired a 60% DreamOrbit stake in December 2016 for a number of strategic reasons:

- Robust IoT capabilities, strengthening offerings in the digital space
- Extensive presence in the logistics and transportation domain (including air, land and ocean)
- EBITDA-accretive acquisition
- Stronger presence in the US, the world's largest and most cutting-edge IT market
- Prominent base in Bengaluru, India's Silicon Valley and Delaware, USA
- Strengthened delivery through DreamOrbit's 270-strong engineering team

Awards and accolades

DreamOrbit was featured thrice in the 'Deloitte Fast 50 Company' list

"DreamOrbit, which was till now offering customised solutions to customers, is also looking to create software solutions and mass-sell them in targeted regions. For this ambition, we see our acquisition by Saksoft as the perfect fit because it not only takes us under the ambit of a larger umbrella focused on the niche digital technology space but also gives us access to Saksoft front-end on-site marketing teams and infrastructure in the US, which is a huge plus for us in terms of helping us accelerate deal flow. It will also enable us to enhance customer service through quicker responses and also the fact that we are now a Saksoft Group company, significantly elevating our brand status and recall."
– Sanchit Jain & Abhishek Porwal (Co-Founders)

Case Study 1: E-commerce Solution for Niche Retailer:

A niche retailer in professional gear for outdoor sports launched an e-commerce website. Apart from selling niche sports gear and accessories, the platform was also able to give constructive feedback to the manufacturer.

Case Study 2: Dispatch-software for trucking companies:

DreamOrbit developed a custom Dispatch Management Software for a US-based trucking company. This new application helped to create new or track existing dispatches, send/receive industry standard documents like rate confirmations, dispatch documents, invoices, load plans and helped in monitoring expenditure and revenue by customer, dispatcher, truck etc., thereby enhancing productivity.

Explosive potential!

India's Internet of Things (IoT) market is expected to seven-fold in the space of just four years.

The sector is expected to grow from US$ 1.3 billion in 2016 to US$ 9 billion by 2020.

The IoT influence is expected to transform a number of Indian sectors like utilities, manufacturing, automotive, transportation and logistics during this period.

Enhancing national productivity.

Source: Deloitte

The Saksoft strategy to enhance shareholder value

At Saksoft, our strategy is to lead customers in their business transformation and digital transition initiatives by providing secure, automated and intelligent frameworks/ solutions that connect nearly everything that can be digitally connected.

Customer-facing strategy

As all global industries focus on delivering business outcomes through business transformation and enhancing competitiveness through digital transformation, the role of technology and the network is increasing rapidly worldwide. The most successful businesses, cities and countries understand intimately the growing role of digital transformation in redefining business models. This will enhance our relevance as a specialist technology services provider, making us intimate to their requirements.

Creating an increasingly digital economy

In an increasingly digital world, data is a strategic asset. Data is widely distributed across an organization and ecosystem. The network plays an important role in enabling our customers to aggregate, automate and 'make sense' from this distributed data with a premium on security and speed. This is driving them to adopt new IT and

Our technology partners

SAP, QlikTech, TIBCO Jaspersoft, Logi Analytics, Talend, TIBCO Spotfire, SAS, Birst, Microsoft, Oracle

organizational structures. At Saksoft, we understand how technologies can deliver desired customer outcomes; this fine distinction is making it possible for us to transform our customers' businesses (as opposed to running customer businesses), a niche where we enjoy enhanced respect.

Attractive products/platforms suite

Our strategy is to handhold and lead customers in their digital transformation journey. We provide secure, automated and intelligent solutions that connect nearly everything that can be digitally connected. We provide solutions built on infrastructure connecting highly-distributed data globally dispersed across institutions/organizations. In conjunction with our ecosystem of partners and developers, we provide technology, services and solutions that will enable our customers to benefit from this distributed data with scale, security and agility.

Business transformation

We have been moving from selling individual products and services to selling products and services integrated into architectures and solutions. As a part of this transformation agenda, we continue to make changes in how we are organized and how we build / deliver technologies. In a significant 2016-17 initiative, we created a specialized bid team in Chennai and Noida to enhance our scientific understanding of customer requirements on the one hand and creating proposals that enhance our chances of winning large customer mandates on the other. Besides, we are constantly transitioning our portfolio to off-shoring/near-shoring to optimize costs and increase margins.

Capitalizing on market transitions

At Saksoft, we capitalize on transitions that drive opportunities like IoT. The DreamOrbit acquisition enhanced our niche IoT capabilities in the logistics/transportation domains; we expect to scale this IoT know-how across strategic domains (BFSI, Public Sector, Telecom and Healthcare) where Saksoft enjoys a strong presence.

Opportunity to enhance blended EBITDA margins

Our organic EBITDA margins have been around 12 to 14%. Following the DreamOrbit acquisition, our blended EBITDA margin is expected to improve, creating a case for stronger profitability going forward.

Our growth focus areas

At Saksoft, a three-pronged landscape will help enhance shareholder and stakeholder value. One, a shift to recurring revenues from trusted customers with larger wallet sizes. We won three deals in excess of USD 1 million each in 2016-17, reflecting our strategy in retaining customers longer and bagging larger customer deals. Two, capitalize on market transitions through strategic acquisitions; our DreamOrbit acquisition will enhance our IoT footprint. Three, our ability to provide architecture and solutions through effective go-to-market strategies, cross-sell and up-sell opportunities, building front-end marketing capabilities and a clear customer benefit roadmap.

Competitive advantages

Niche, specialist positioning > Strong innovation orientation > Robust promoter focus and track record > Strong sales-force > Strategic acquisitions focus > Global scale and reach > Customer stickiness > Long Industry-presence

Our performance ambition

Goal: Build a specialist and world-class IT services company focused on digital transformation

Potential goal contributors

- Selective market and customer sector expansion
- Strategic acquisitions to fill competency gaps
- Enhancing operational leverage through optimum manpower utilization
- Focus on annuity projects

Measuring our performance ambition

- RoE remained consistent at 14%, 2016-17
- EBITDA margins stood at 13.70%
- Net Profit margins stood at 7%, 2016-17
- Debt-equity ratio optimized to 0.28 over the past two years

Prioritized investments

- Technology to achieve platform efficiency and cost optimization
- Training to help our people stay at the cutting-edge of technology
- Enhancing stake in 360Logica for a stronger testing services market foothold
- Acquisition of IoT capabilities (through DreamOrbit purchase) strengthening our digital transformation competence

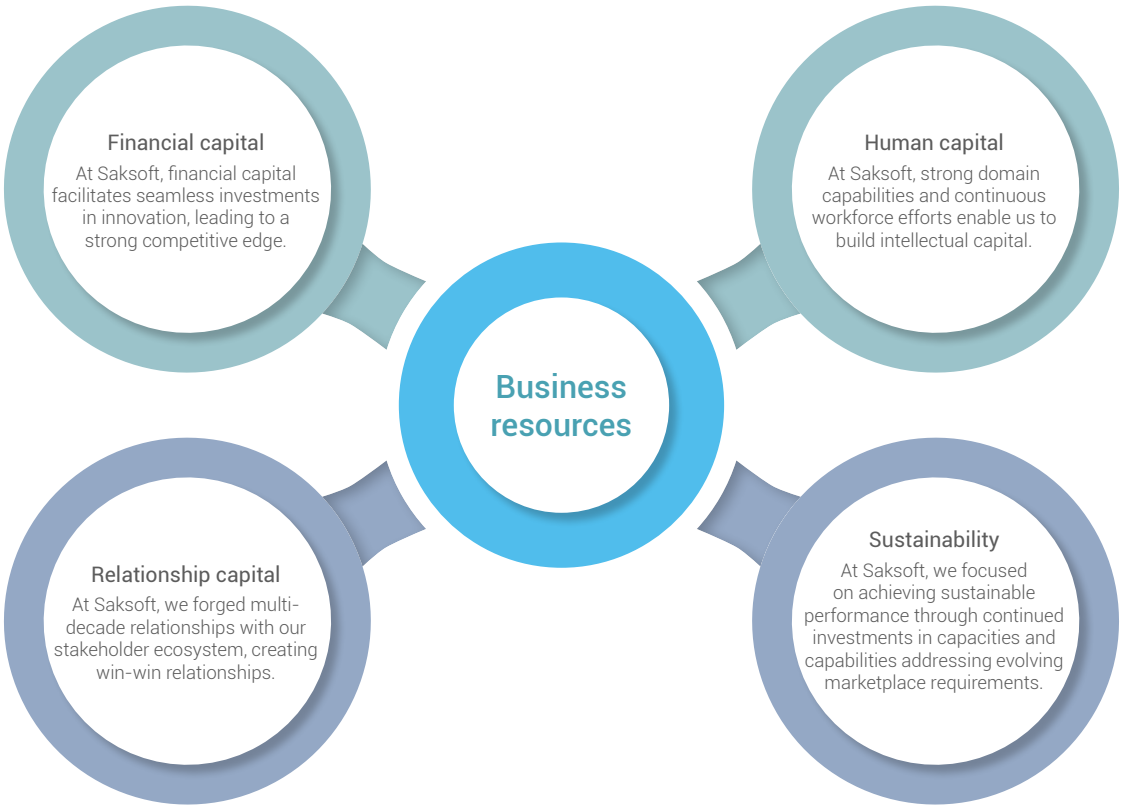
Our strategic direction

- Regular and structured training; building human resource capacities and capabilities
- Engaging in quality recruitment
- Enhancing RoCE through off-shoring/near-shoring
- Wider pre-sales net catch
- Qualify to bid, bid to win

The Saksoft business model and strategy

Business objective

At Saksoft, we are engaged in business to enhance long-term value in a sustainable way. To do so, we embraced a two-pronged objective: organic growth on the one hand and best-fit acquisitions that plug competency/offering gaps on the other. Besides, our ancillary strategy comprises executing up-sell/cross-sell opportunities and extending the customer relationship lifecycle while identifying emerging customer segments across new geographies.



Competitive advantages

We are a niche specialist technology play oriented around 'customer business transformation' (as opposed to some of our larger peers engaged in 'running the customer's business'). This empowers us to compete effectively in a crowded marketplace marked by larger competitors. Being a small focused enterprize with decentralized decision-making makes it possible for us to capitalize effectively on opportunities.

Sustainable strategy

At Saksoft, we focus on growing revenues organically through new wins, extending customer relationship tenures and engaging in up-sell and cross-sell opportunities. We focus on acquisitions-led growth,

the primary objective being the plugging of competency/ capability gaps and using a larger number of platforms/solutions/products to enhance business transformation effectiveness.

Key value-creation beneficiaries

Customers: 100+ across the globe in diversified sectors/industries

Communities: Invested ₹0.25 crore in 2016-17 in structured and high-impact CSR activities

Shareholders: RoE of 14%, indicating consistent returns and potential for value creation

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 travelled, 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 agri 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-poilishing 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 and Nomination and Remuneration Comittee.

Report of the Board of Directors

Dear Members,

Your Directors have immense pleasure in presenting the Eighteenth (18th) Annual report together with the Audited Accounts of the Company for the financial year ended 31st March 2017.

1. Financial Summary

The Audited Standalone and Consolidated financial results summary for the financial year ended 31st March, 2017 and 31st March, 2016 are as follows:

(₹ in mn)

	Standalone Results		Consolidated Results	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Export Revenue	368.87	352.59	2451.77	2282.44
Domestic Revenue	137.90	154.88	143.26	154.88
Other Income	26.09	43.64	18.40	21.65
Total Income	532.85	551.11	2613.43	2458.97
Operating expenses	392.56	363.23	2257.80	2075.45
Operating Profits	140.29	187.88	355.63	383.52
Depreciation	7.67	6.14	13.14	10.15
Interest and Finance Charges	37.67	36.39	45.61	43.20
Net Profit before Tax	94.95	145.35	296.89	330.17
Current Tax	24.31	39.00	82.94	111.57
Deferred Tax	1.91	1.61	5.53	0.85
Net Profit after Tax	68.73	104.74	178.41	184.67
Profit brought forward	407.00	333.62	952.50	805.83
Available for Appropriation	475.73	438.36	1130.94	990.50
Transfer to General Reserve	-	-	-	2.49

2. Results of operation

Standalone Accounts

- Total income for the year 2016-17 was ₹532.85 mn as against ₹551.11 mn during the year 2015-16, registering a decrease of 3.31%.
- Profit after tax was ₹68.73 mn during the year 2016-17 as compared to ₹104.74 mn during 2015-16, resulting a decrease of 34.38%
- Basic earnings per share was ₹6.96 for the financial year 2016-17 as compared to earnings per share of ₹10.67 for the financial year 2015-16.
- Operating and other expenses during the year were at ₹392.56 mn as compared to ₹363.23 mn in the previous year.

Consolidated Accounts

- Consolidated total income for the year 2016-17 was ₹2613.43 mn as against ₹2458.97 mn during the year 2015-16, registering a growth of 6.28%
- Profit after taxes was ₹178.41 mn during the year 2016-17 as compared to ₹184.67 mn during 2015-16, a decrease of 3.38%
- Basic earnings per share was ₹18.06 for the financial year 2016-17 as compared to earnings per share of ₹18.82 for the financial year 2015-16.

3. Business operations

Digital transformation refers to the changes associated with the application of digital technology in all aspects of human society. Enterprises are leveraging disruptive technologies like Cloud, Applications (web or mobile), Big Data and Analytics to understand their customers better and offer customized services for them. Successful Digital Transformation comes not from implementing new technologies but by understanding its need and use and deriving maximum value out of it. Saksoft is empowering enterprises with the digital transformation journey. We strive to create engaging and reliable digital experiences across every touch point, providing fresh opportunities for progress. Our services encompass 4 key areas which fuel growth for organizations including Information Management Solutions, Application Services, Testing and Cloud, helps customers to digitally transform their businesses. We help enterprises with cohesive Data & processes, Analytical competence & Predictive insights, Process digitization, Custom based Applications, Business & IT Integration, Data driven decision-making and better solution delivery.

Information Management

Saksoft offers full range of 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 Cognos, Datastage, Business Objects, Hyperion, Microsoft, SAS and Informatica. Saksoft with its partners will provide predictive insights for data driven decision-making.

Application Services

Building custom applications has been another core area for Saksoft and we have been developing and managing large custom build applications for customers across verticals. Whether it is a web application or mobile application, Saksoft proprietary tools and frameworks will help enterprise achieve its goals with ease.

Independent testing

Three sixty Logica (testing arm of Saksoft) is a strong contender in independent software testing. With a plethora of testing services being offered, Saksoft will be able to bring down the overall cost, increase dependability, mitigate security risks, and enhance performance and scalability.

Cloud Services

Your digital transformation story is not complete without cloud. 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. During the year under review, there is no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

4. Dividend

Based on Company's performance, the Directors are pleased to recommend for approval of the members a Final dividend of ₹3/- per share (30% on the face value of ₹10/-) for the financial year 2016-17. The final dividend on the equity shares, if declared, as above, would involve an outflow of ₹31.36 mn towards dividend and ₹2.32 mn towards dividend tax, thereby resulting in total outflow of ₹33.68 mn.

5. Share Capital

The paid up equity Capital as on March 31, 2017 was ₹104,550,000/-. During the year under review, the Board of Directors have allotted 60,000 equity shares consequent to the exercise of options by certain eligible employees under ESOP 2009 plan of the Company.

6. Transfer to Reserve

During the year under review, there was no transfer to General reserves.

7. 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 $16.05 mn (equivalent to ₹1074.87 mn) during financial year 2016-17 compared to $17.49 mn (equivalent to ₹1142.45mn) during financial year 2015-16 registering a decline of 8.23% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc decreased by 41.43% on consolidated basis and decreased to $ 0.41 mn (equivalent to ₹27.45 mn) during financial year 2016-17 compared to $0.70mn (equivalent to ₹45.72 mn) during financial year 2015-16.

The Company's wholly owned subsidiary Saksoft Pte Ltd. Earned revenue of S$ 1.59 mn (equivalent to ₹76.92 mn) during financial year 2016-17 compared to S$1.71 mn (equivalent to ₹80.56mn) during financial year 2015-16 registering a decline of 7.01% in Sing dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd declined by 27.27% on consolidated basis and decreased to S$ 0.16 mn (equivalent to ₹7.74 mn) during financial year 2016-17 compared to S$0.22 mn (equivalent to ₹10.83 mn) during financial year 2015-16.

The Company's wholly owned subsidiary Saksoft Solutions Ltd together with its subsidiaries earned revenue of GBP 10.1 mn (equivalent to ₹883.95 mn) during financial year 2016-17 compared to GBP 8.11 mn (equivalent to ₹798.35 mn) during financial year 2015 - 16 registering a growth of 24.53% in Pound Sterling terms over the previous financial year. The profits of Saksoft Solutions Ltd before tax and amortisations increased by 100.35 % on consolidated basis and increased to GBP 0.002 mn (equivalent to ₹0.22 mn) during financial year 2016 – 17 compared to GBP (-0.72) mn (equivalent to ₹70.87mn) during financial year 2015-16.

The Company's subsidiary Threesixty Logica Testing Services Private Limited together with its subsidiary earned revenue of ₹335.33 mn during financial year 2016-17 compared to ₹298.81 mn during financial year 2015-16 registering a growth of 12.22% in rupee terms over the previous financial year. The profits before tax of Threesixty Logica Testing Services Private Limited dropped by 9.27% on consolidated basis and decreased to ₹90.04 mn during financial year 2016-17 compared to ₹99.24 mn during financial year 2015-16.

During the year under review, DreamOrbit Softech Private Limited became a 60% Subsidiary of the Company effective 15th December, 2016. DreamOrbit Softech Private Limited together with its subsidiary earned revenue of ₹358.85 mn during financial year 2016-17 compared to ₹291.33 mn during financial year 2015-16 registering a growth of 23.17% in rupee terms over the previous financial year. The profits before tax of Dreamorbit Softech Private Limited grew by 177% on consolidated basis and increased to ₹60.63 mn during financial year 2016-17 compared to ₹21.89 mn during financial year 2015-16.

Inoperative wholly owned subsidiaries Saksoft FR SARL, France and Saksoft GmbH, Germany were liquidated effective 10th August, 2016 and 13th October, 2016 respectively.

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.

8. 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 Accounting Standard 18, the details of the transactions with the related parties are set out in Note No. 24 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.

9. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any Loans, Guarantees or Investments. The Particulars of the existing loans, Guarantees or Investments are provided under Note No. 10 & 12 forming part of Standalone financial statements.

10. Public Deposits

There are no deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2016-17, the details of which are required to be furnished.

11. Material Changes after 31st March, 2017

There have been no material changes and commitments between 31st March 2017 and the date of this report having an adverse bearing on the financial position of the Company.

12. 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 Delivery centers in Chennai and Noida.

The following is the summary of the complaints received and disposed off during the financial year 2016-17:

a) No. of SH Complaints received: Nil

b) No. of SH Complaints disposed off: Nil

13. 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.

Weblink of the adopted CSR policy of the Company is given under point 17 of the Corporate Governance report.

CSR Committee met twice on August 28, 2016 and January 30, 2017. 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 2016-17 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"

14. 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.

15. Internal Auditors

R.G.N. Price & Co., 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.

16. Board Meetings, Board of Directors & Key Managerial Personnel

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.

During the year under review, Mr. R. Rajagopalan, Independent Non-Executive Director has resigned from the Board with effect from 13th August, 2016.

During the period from the financial year end date and on the date of signing of this report, the Board had appointed Mr.S.Muthukrishnan as the Company Secretary with effect from 10th April, 2017 under Section 203 of the Companies Act, 2013. Mr.Vivekanandan Babu had resigned as the Company secretary with effect from 7th April, 2017.

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".

17. 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 3, 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.

18. 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.

19. 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 January 30, 2017 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 05th January, 2017. 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.

20. 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 details of the Policy are given in Annexure-3 to this Report.

21. 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.

22. Vigil Mechanism/ Whistle Blower Policy:

Details of the Vigil Mechanism is covered under the Corporate Governance report forms part of this Annual report.

23. Auditors

At the Annual General Meeting held on September 26, 2014, M/s. Suri & Co., Chartered Accountants, Chennai, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the Calendar year 2017.

Based on the recommendation of the Audit Committee, the Board of Directors recommended the appointment of M/s. RGN Price & Co., Chartered Accountants, Chennai as statutory Auditors of the Company for the financial years from 2017-18 to 2021-22 subject to ratification of the Shareholders at every Annual general meeting. The Company has received the certificate from M/s. RGN Price

& Co., Chartered Accountants, Chennai to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As required under Regulation 33 (d) of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015, M/s. RGN Price & Co., Chartered Accountants, Chennai have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

24. 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".

25. Auditor's Report and Secretarial Audit Report

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

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

(₹ in mn)

	2016-17	2015-16
Foreign exchange earnings and Outgo		
Foreign Exchange earnings	421.24	399.91
Expenditure in Foreign Currency	10.07	9.97

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 ₹10.20 mn or more per annum or ₹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 schemes. Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 24 (h) forming part of standalone financial statements. The details of the Options granted up to March 31, 2017 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. The web link to access the Annual Report is given under point no. 17 of the Corporate Governance 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.

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: 26th May, 2017

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: ₹101.81 mn
4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**
   The Company is required to spend ₹2.04mn
5. **Details of CSR spend for the financial year**
   a) Total amount spent for the financial year: ₹1.24 mn

   b) Amount unspent if any: 0.80 mn

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 (₹ in mn)	Amount spent on the project or programme (₹ in mn)	Cumulative Expenditure upto reporting Period (₹ in mn)	Amount Spent: Direct or through implementing Agency
1	To impart Functional Academics, Behavioural & Physical development, Social & Living Skills and Vocational skills to 50+ special children with autism and related challenges	Education	Tamil Nadu	2.04	1.24	1.24	Agency: Swabodhini 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 outlayed a total expenditure of ₹2.04 mn and out of this ₹1.24 mn has been spent on CSR activities. The balance of ₹0.8 mn will be spent during the financial year 2017- 18 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

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

Place: Chennai
Date: 26th May, 2017

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

	Ratio to Median Remuneration
Non- Executive Directors*	
Mr. R. Rajagopalan	0.34
Mr. Amitava Mukherjee	0.40
Mr. Ajit Thomas	0.48
Ms. Kanika Krishna	0.46
Mr. V.V.R. Babu	0.18
Executive Director	
Mr. Aditya Krishna	10.84

*Sitting fees based on the number of meetings attended by the Directors and commission paid during the financial year 2016-17 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. R. Rajagopalan	(*)
Mr. Amitava Mukherjee	(*)
Mr. Ajit Thomas	(*)
Mr.V.V.R. Babu	NA ^
Ms. Kanika Krishna	(*)
Mr. Aditya Krishna- Chairman & Managing Director	44
Mr. Nirajkumar Ganeriwala, Chief Financial Officer	9
Mr. Vivekanandan Babu, Company Secretary	18

^ Mr. V V R Babu was appointed as Non -Executive Director of the Company wef 27th May, 2016 and hence the comparison with the previous year is not applicable.

(*) 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.

3. The percentage increase in the median remuneration of employees in the financial year: 5.80%

4. The number of permanent employees on the rolls of Company: 366

5. The explanation on the relationship between average increase in remuneration and Company Performance: On an average, employees received an increase of 7.83%. The increase in remuneration is in line with the market trends and overall budgetary impact with the Company.

6. Comparison of the remuneration of the key Managerial personnel against the performance of the Company.

Particulars	₹ in mn
Remuneration of Key Managerial personnel (KMP) during financial year 2016-17 (aggregated)	12.06
Revenue from Operations (Consolidated)	2595.03
Remuneration (as % of revenue)	0.45
Profit before tax (PBT) (consolidated)	296.89
Remuneration (as % of PBT)	4.04

7. Variations in the Market Capitalization of the Company, price earnings ratio as at the closing date of the Current financial year and previous financial year:

Particulars	March 31, 2017	March 31, 2016	% Change
Market capitalization (₹ in mn)	2,604.86	2,357.59	10.48
Price earnings Ratio (based on consolidated EPS)	13.80	12.05	14.47

Percentage increase over decrease in the market quotations of the Shares of the Company in Comparison to the rate at which the Company came out with the last public offer in case of listed Companies:

Particulars	March 31, 2017	May 09, 2005 (IPO)	% Change
Market Price (NSE) (₹)	249.15	30.00	730.50

8. 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 2016-17 was 7.00%. Percentage increase in the managerial remuneration (Senior Leadership team) for the year was 11.70%

9. Comparison of the each remuneration of the key Managerial personnel against the performance of the Company

(₹ in mn)

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	5.40	5.36	1.30
Revenue (Consolidated)	2595.03	2595.03	2595.03
Remuneration (as % of revenue)	0.20	0.20	0.05
Profits before Tax (PBT) (consolidated)	296.89	296.89	296.89
Remuneration (as % of PBT)	1.81	1.80	0.43

10. The key parameters for any variable component of remuneration availed by the directors:

    Members at the AGM of the Company held on 10th September, 2015 approved payment of commission to the Non-executive Directors with the ceiling of 1% of net profits of the Company from the financial year commencing 01st April, 2015, in such manner and up to such extent as the Board may, from time to time, determine. The Board of Directors have further fixed the maximum ceiling of ₹100,000 (Rupees One lakh only) as the amount of commission. The said commission is decided by the Board of Directors and distributed amongst the Non- Executive Directors based on performance evaluation which is based on attendance and contribution at the Board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

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

    The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

    The statement containing remuneration paid to employees and other details as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company upto the date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the member.

For and on behalf of the Board

Place: Chennai
Date: 26th May, 2017

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.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 26th September, 2014 and reviewed and amended on 27th May, 2016.

Definitions:

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Saksoft Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - (i) Executive Chairman and / or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into 4 parts as follows:-

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Part – B

Policy for Appointment and Removal of Director, KMP and Senior Management

Appointment:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment. The candidate for a position at KMP or Senior Management level is met by the Head – HR and the interview is targeted at assessing the candidate on his/her functional and leadership capabilities and cultural fitment to the organization. The Head – HR ensures that the person possess adequate qualification, expertise and experience for the position he / she is considered for appointment.
- The Managing Director assesses the shortlisted candidates for the position of KMP or Senior Management Level.
- The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting.

Term / Tenure:

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013.
- The tenure for other KMP and Senior Management Personnel will be governed by Saksoft HR Policy.

Evaluation:

The Managing Director evaluates the performance of Senior Management Personnel at regular intervals.

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.

For other KMP or Senior Management Personnel the removal will be governed by Saksoft HR Policy and the subsequent approval of the Managing Director.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director will have the discretion to retain the KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Part – C

Policy relating to the remuneration for the Whole-time Director, KMP and Senior Management Personnel

Evaluation Process:

- The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel, the metrics shall be determined by the Managing Director.
- An holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors to arrive at the Final Rating.
- The revision in the total remuneration is directly linked to the Final Rating for all employees.

- The remuneration / compensation / commission etc to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review.
- The ESOP's to the Whole Time Director and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company and recommended to the Committee and the Board for approval in the subsequent board meeting.
- The remuneration/compensation/commission etc to the Directors shall be subject to the prior/post approval of the Shareholders of the Company and Central Government wherever required.
- The remuneration and commission to be paid to Whole Time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and the rules made thereunder.
- Increments to the existing Remuneration / compensation structure may be recommended by the Managing Director to the Committee and the Board which should be within the slabs approved by the Shareholders in the case of Whole time Director.

  Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.

Part-D

Policy relating to the making of payments to Non-Executive/ Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Nomination and remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

Modification

The Nomination and Remuneration Committee or the Board of Directors of Saksoft can modify this Policy at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.

ANNEXURE - 4

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2017

(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 the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Saksoft Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by 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 ended on 31st March 2017, 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:

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, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) 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;

(v) 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; and

(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 (Issue and Listing of Debt Securities) Regulation, 2008 (Not applicable for the Audit Period).

(g) The Securities Exchange Board of India (Delisting

of Equity Shares) Regulation, 2009 (Not applicable for the Audit Period).

(h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (Not applicable for the Audit Period).

(i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

(vi) I further report that, having regard to the compliance system prevailing in the Company on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

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

We have also examined compliance with the Secretarial Standards notified by ICSI.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, 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.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, at least seven days in advance except for meetings convened at a shorter notice conducted as per the provisions of the Companies Act, 2013 and secretarial standards, and 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.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of Board of Directors or committee of the Board, as the case may be were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(a) The Company allotted 30,000 Equity Shares of ₹10/- each on 12 August 2016 and 30,000 Equity Shares of ₹10/- each on 23 February 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. 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).

For Lakshmmi Subramanian & Associates

Swetha Subramanian
ACS: 33222
CP No: 12512

Place: Chennai
Date: 26th May, 2017

"Annexure A"

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED for the financial year ended 31.03.2017)

To,
The Members,
SAKSOFT LIMITED

Our Secretarial Audit Report for the financial year ended 31 March 2017 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: 26th May, 2017

ANNEXURE - 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. 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)
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 H.No. 162, Bank Colony, Mandoli Near Gagan Cinema, Nandanagari, New Delhi 110093	U72900DL2009PTC195135	Subsidiary	76	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. Holds100%	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	Saksoft GmbH Lyonerstr 14 60528, Frankfurt, Germany	Foreign Company	Subsidiary (Liquidated effective 13th October, 2016)	100	2(87)
12	Saksoft FR 7, Rue Gailee 75116 PARIS	Foreign Company	Subsidiary (Liquidated effective 10th August, 2016)	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 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter									
1)	Indian									
a)	Individual/ HUF	2523190	0	2523190	24.27	2318640	0	2318640	22.18	-2.0957
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	4533150	0	4533150	43.61	4737700		4737700	45.31	1.7062
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other									
	Employees welfare Trust	542460	0	542460	5.218	532460	0	532460	5.09	-0.1255
	Sub-total(A)(1):-	**7598800**	**0**	**7598800**	**73.10**	**7588800**	**0**	**7588800**	**72.58**	**-0.5151**
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
	Sub-total (A)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total (A)	**7598800**	**0**	**7598800**	**73.10**	**7588800**	**0**	**7588800**	**72.58**	**-0.5151**
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	524	0	524	0.0050	0.0050
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)	FIIs	41000	0	41000	0.3944	0	0	0	0	-0.3944
h)	Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	38000	0	38000	0.3634	0.3634
	Sub-total (B)(1)	**41000**	**0**	**41000**	**0.3944**	**38524**	**0**	**38524**	**0.3684**	**-0.0259**
2.	Non Institutions									
a)	Bodies Corp. (i) Indian (ii) Overseas	474847	0	474847	4.568	367680	0	367680	3.516	-1.0512
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	793999	3006	797005	7.6671	850062	3006	853068	8.16	0.4922

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh	1308600	0	1308600	12.588	1425353	0	1425353	13.63	1.0444
c)	Others (Specify)									
	Clearing Member	19182	0	19182	0.1845	4651	0	4651	0.044	-0.1400
	ESOP/ESOS/ESPS	7115	7400	14515	0.1396	4054	7400	11454	0.109	-0.0300
	Foreign Nationals	12500	0	12500	0.1202	56	0	56	0.0005	-0.1197
	Hindu Undivided Family	66693	0	66693	0.6415	60902	0	60902	0.583	-0.0590
	Non Resident Indians	61858	0	61858	0.5950	104512	0	104512	0.9996	0.4045
	Sub-total (B)(2)	**2744794**	**10406**	**2755200**	**26.505**	**2817270**	**10406**	**2827676**	**27.05**	**0.5411**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2785794**	**10406**	**2796200**	**26.899**	**2855794**	**10406**	**2866200**	**27.41**	**0.5151**
C	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total (A+B+C)	**10384594**	**10406**	**10395000**	**100**	**10444594**	**10406**	**10455000**	**100**	**0**

ii. Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			No. of Shares held at the end of the year 31.03.2017			% 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	4350000	41.85	Nil	4554550	43.56	Nil	1.71
2.	Aditya Krishna	2323070	22.35	Nil	2118520	20.26	Nil	(2.08)
3.	Saksoft Employee Welfare Trust	542460	5.22	Nil	532460	5.09	Nil	(0.13)
4.	Autar Krishna	200120	1.92	Nil	200120	1.91	Nil	(0.01)
5.	Sonnet Trades & Investments Private Limited	183150	1.76	Nil	183150	1.75	Nil	(0.01)
	Total	**7598800**	**73.10**	**Nil**	**7588800**	**72.58**	**Nil**	**(0.52)**

* Percentage change is due to increase in the number of paid up equity share capital. There was no change in the shareholdings of the promoters, except in case of Saksoft Employee Welfare Trust, due to exercise of shares to the eligible employees under ESOP 2006 Scheme of the Company.

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 1.04.2016	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	Sharehold-ing at the end of the Year 31.03.2017
1.	Aditya Krishna	2323070	28.07.2016	Inter-se Promoter transfer	204550 (Sale)	2118520	2118520
2.	Sak Industries Private Limited	4350000	28.07.2016	Inter-se Promoter transfer	204550 (Purchase)	4554550	4554550
3.	Saksoft Employee Welfare Trust	542460	23.05.2016	ESOP allotment	10000 (transfer)	532460	532460

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 01.04.2016		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2017	
		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	280000	2.69	99800	0.95	379800	3.63
2	UMAMAHESWARI JANARTHANAN	233400	2.24	(49900)	0.48	183500	(1.75)
3	M UMAYAL	173659	1.67	(31859)	0.31	141800	(1.36)
4	QUANT BROKING PRIVATE LIMITED	159030	1.53	(156530)	0	2500	(0.02)
5	K.BALASUBRAMANIAN	68133	0.66	(49900)	0.48	18233	(0.17)
6	QCAP SECURITIES PRIVATE LIMITED	49503	0.48	(49503)	0.48	0	0
7	NIRAJKUMAR GANERIWALA	43500	0.42	20000	0.19	63500	0.60
8	GANESH SRINIVASAN	0	0	58000	0.55	58000	0.55
9	ANNU THOMAS	31750	0.30	26200	0.25	57950	0.55
10	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED	0	0	55858	0.53	55858	0.53
11	PASSAGE TO INDIA MASTER FUND LIMITED	41000	0.39	(3000)	0.02	38000	(0.36)
12	S.THILLAINAYAKI	40213	0.39	0	0	40213	0.39

v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2016	Change in the shareholding during the year (Net)	Shareholding at the end of the Year 31.03.2017
1	Aditya Krishna, Chairman and Managing Director	2323070	204550	2118520
2	Ajit Thomas, Director	200000	-	200000
3	Nirajkumar Ganeriwala, CFO	43500	20000	63500

Note for point no. iv and v above: The above details are given as on 31st March, 2017. The Company is listed and 99.90% 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 60,000 Shares consequent to exercise of ESOP by the eligible employees which resulted in the increase in the total paid up share capital as on 31.03.2017.

V. Indebtedness

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

(₹ in Mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	110.68	185.00		295.68
ii) Interest due but not paid				
Total (i+ii+iii)	**110.68**	**185.00**		**295.68**
Change in Indebtedness during the Financial year				
- Addition	113.64	30.00		143.64
- Reduction	40.00	0		40.00
Net Change	**73.64**	**30.00**		**103.64**
Indebtedness at the end of the financial year				
i) Principal Amount	184.32	215.00		399.32
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**184.32**	**215.00**		**399.32**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Mn)

Sr No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		Aditya Krishna	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	5.40	5.40
	(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	Within the limits of Section 198 of the Companies Act, 2013	

B. Remuneration to other directors:

(₹ 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. R. Rajagopalan	70,000	100,000	Nil	170,000
	Mr. Amitava Mukherjee	100,000	100,000	Nil	200,000
	Mr. Ajit Thomas	145,000	100,000	Nil	245,000
	Mr. VVR Babu	95,000	Nil	Nil	95,000
2	Other Non-Executive Directors				
	Ms. Kanika Krishna	130,000	100,000	Nil	230,000

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

(₹ in Mn)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Nirajkumar Ganeriwala, CFO	Mr. Vivekanandan Babu Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.36	1.30	6.66
	(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)	5.36	1.30	6.66

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during year ended March 31, 2017.

For and on behalf of the Board

Place: Chennai
Date: 26th May, 2017

Aditya Krishna
Chairman & Managing Director

ANNEXURE - 6

Disclosures in terms of SEBI (Share Based Employee Benefits) Regulations, 2014

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 Lac shares to 10 Lac 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 Lac shares to 10 Lac 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	37,500	5,15,000
Options Granted during the year	NIL	1,05,000 options (50,000 options granted on 27th May, 2016 at a grant price of ₹211.15/- and 55,000 options granted on 12th August, 2016 at a grant price of ₹231.65)
Options forfeited/lapsed during the year	NIL	1,85,000
Options Vested during the year	12,500	75,000
Options Exercised during the year	10,000	60,000
Total numbers of shares arising as a result of exercise of option	10,000	60,000
The exercise price	45.05	44.25
Money realized by exercise of options	₹0.45 mn	₹2.66 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	27,500	3,75,000
Options exercisable at the end of the year	27,500	1,05,000

Employee wise details of Options granted to		
(1) Key & Senior Management Personnel.	NIL	Details given at the end of this table
(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 ₹6.48 (Previous year ₹9.94)	
Where the Company has calculated the employee compensation cost using intrinsic value of Stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference in Profit on EPS of the Company shall also be deducted.	The Company has calculated the employee compensation cost using the intrinsic value of stock option. Had the fair value method been used, in respect to stock options granted, the employee compensation cost would have been higher by ₹0.15 mn. Profit after tax should be lower by ₹0.10 mn and the basic and diluted earnings per share would have been lower by ₹0.001 respectively.	The Company has calculated the employee compensation cost using the intrinsic value of stock option. Had the fair value method been used, in respect to stock options granted, the employee compensation cost would have been higher by ₹5.86 mn. Profit after tax should be lower by ₹3.92 mn and the basic and diluted earnings per share would have been lower by ₹0.37 respectively.
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	Options grant Date: 27th May, 2016 Grant price: ₹211.15 Fair value: ₹113.47 Options grant Date: 12th August, 2016 Grant price: ₹231.65 Fair value: ₹120.50
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	ESOP 2006	ESOP 2009					
Grant Date:	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	₹45.05/-	₹44.25/-	₹93.00/ -	₹138.70/-	₹151.70/-	₹211.15/-	₹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

Name of the senior Managerial Personnel	Designation	Date of grant	Number of options granted during the year	Exercise Price
Mr. Amit Chatterjee	Executive VP, Sales & Marketing and CEO-Acuma Solutions	27th May, 2016	50,000	211.15
Mr. Ajith John Daniel* resigned on 11th of March, 2017.	VP- New Business- Saksoft Inc	12th August, 2016	35,000	231.65
Mr. Prem Phulara	AVP Engineering –Threesixty Logica Testing services Private Limited		20,000	

For and on behalf of the Board

Place: Chennai
Date: 26th May, 2017

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, 2017. The Board of Directors review at regular interval 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
VVR Babu*	Director	Independent Non- Executive
Amitava Mukherjee	Director	Independent Non- Executive
Ajit Thomas	Director	Independent Non- Executive
Kanika Krishna	Director	Non-Executive
R.Rajagopalan*	Director	Independent Non – Executive

*During the year under review, Mr. R. Rajagopalan resigned from the Board w.e.f. 13th August, 2016 and Mr. VVR Babu was appointed as the Independent and Non Executive Director w.e.f 27th May, 2016.

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

Name of Director	Particulars of Attendance in	
	Board Meetings	Last AGM
Aditya Krishna	6/6	YES
R Rajagopalan*	3/3	YES
Amitava Mukherjee	3/6	YES
Ajit Thomas	5/6	YES
Kanika Krishna	6/6	YES
V.V.R. Babu	4/6	YES

*During the year under review, Mr. R. Rajagopalan resigned from the Board w.e.f. 13th August, 2016 and Mr. VVR Babu was appointed as the Independent and Non Executive Director w.e.f 27th May, 2016.

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

Name of the Directors	Directorship in other Indian Public Companies	Position on Audit & Stake-holders' Relationship Committees in other Indian Public Companies
Aditya Krishna	-	-
R.Rajagopalan*	-	-
Amitava Mukherjee	1	2
Ajit Thomas	9	4
Kanika Krishna	-	-
V.V.R. Babu	-	-

*During the year under review, Mr. R. Rajagopalan resigned from the Board w.e.f. 13th August, 2016 and Mr. VVR Babu was appointed as the Independent and Non Executive Director w.e.f 27th May, 2016.

(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 2016-17, the Board met 6 times on 27th May 2016, 29th June, 2016, 12th August, 2016, 28th October, 2016, 15th December, 2016 and 30th January, 2017.

(e) Relationships between Directors inter-se

Ms. Kanika Krishna, non-executive Director is the 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 Saksoft. Mr.Ajit Thomas holds 200,000 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 30th January, 2017 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 weblink 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 weblink 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 2016-17, the Audit Committee met four times on 27th May 2016, 12th August 2016, 28th October 2016 and 30th January, 2017.

The attendance details are as follows:

Name of the Member	Designation	No. of Meetings Attended
R.Rajagopalan*	Chairman	2 /2
Ajit Thomas	Chairman*	3 /4
Amitava Mukherjee	Member	3 /4
VVR Babu*	Member	2 /2

* During the year under review, due to Mr. R. Rajagopalan's resignation with effect from 13th August, 2016, the Committee was reconstituted by inducting Mr. VVR Babu as a member and electing Mr. Ajit Thomas as the Chairman of the Audit committee.

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 12th August, 2016.

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 Committtee

During the year under review, the committee met on 27th May 2016, 12th August, 2016 and 30th January, 2017.

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

Name of the Member	Designation	No. of Meetings Attended
R.Rajagopalan*	Chairman	2/2
Ajit Thomas	Member	2/3
Amitava Mukherjee	Chairman*	3/3
VVR Babu*	Member	1/1

Note: During the year under review, due to Mr. R. Rajagopalan's resignation with effective 13th August, 2016, the Committee was reconstituted by inducting Mr. VVR Babu as a member and electing Mr. Amitava Mukherjee as the Chairman of the committee.

The Chairman of the Nomination and Remuneration Committee was present at the Annual general meeting held on 12th August, 2016.

5. Remuneration of Directors

(a) all pecuniary relationship 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:

(₹ in Mn)

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

*At the Board meeting held on 27th May, 2016, based on the recommendation of Nomination and Remuneration Committee, the Board has revised and fixed ₹0.45 mn per month plus the addition to the allowances and perks as the basic pay for the financial year 2016-17.

Non-Executive Directors:

The Company pays Sitting Fees of (a) ₹20,000/- per meeting to its Non-executive and Independent Directors for attending meetings of the Board and (b) ₹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, 2017 to the directors are as follows:

(₹ in Mn)

Sr No.	Name of Director	Sitting fees (Board Meetings)	Sitting fees (Committee Meetings)	Managerial Commission Paid	Total
1	R. Rajagopalan	0.04	0.03	0.10	0.17
2	Amitava Mukherjee	0.06	0.04	0.10	0.20
3	Ajit Thomas	0.10	0.04	0.10	0.24
4	Kanika Krishna	0.12	0.01	0.10	0.23
5	V.V.R.Babu	0.08	0.01	0	0.09

*During the year under review, Mr. R. Rajagopalan resigned from the Board w.e.f. 13th August, 2016 and Mr. VVR Babu was appointed as the Independent and Non Executive Director w.e.f 27th May, 2016.

(d) 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.

6. Stakeholders' Relationship Committee

(a) Name of the Chairperson of the Committee – Mr. Amitava Mukherjee

(b) Name and designation of Compliance Officer – Mr. Vivekanandan Babu

(c) Number of shareholders' complaints received - During the year there was (02) investor complaints received though SCORES portal which was resolved and there was no pending complaint for the year ended 31st March 2017.

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 4 times on 27th May 2016, 12th August 2016, 28th October, 2016 and 30th January, 2017. The members of the Stakeholders Relationship Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings attended
R Rajagopalan	Chairman *	2/2
Amitava Mukherjee	Chairman*	3/4
Ajit Thomas	Member	3/4
Kanika Krishna*	Member	2/4

*During the year under review, due to Mr. R. Rajagopalan's resignation with effective August 13, 2016, the Committee was reconstituted by inducting Ms. Kanika Krishna as a member and electing Mr. Amitava Mukherjee as the Chairman of the Stakeholders' Relationship Committee.

7. General Body Meetings

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

Year	Location	Date	Time
2013-14	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	26.09.2014	10.30 AM
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

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

Financial Year	General Meeting	No. of Special resolution	Particulars of Special Resolution passed
2013-14	15th Annual General Meeting	2	Approval for Borrowings not in excess of ₹500 Crores over and above the aggregate of the paid up share capital and free reserves under Section 180(1) (C)
			Amendment to the Employee Stock option plan 2009 by extending the exercise period from 5 years to 10 years from the date of granting of options.
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 ₹1500 million, during any one financial year.
2015-16	17th Annual General Meeting	NIL	

(c) Special Resolutions passed through Postal Ballot during the financial year 2015-16: 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 under Investors relations, NSE www.nseindia.com and BSE 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:

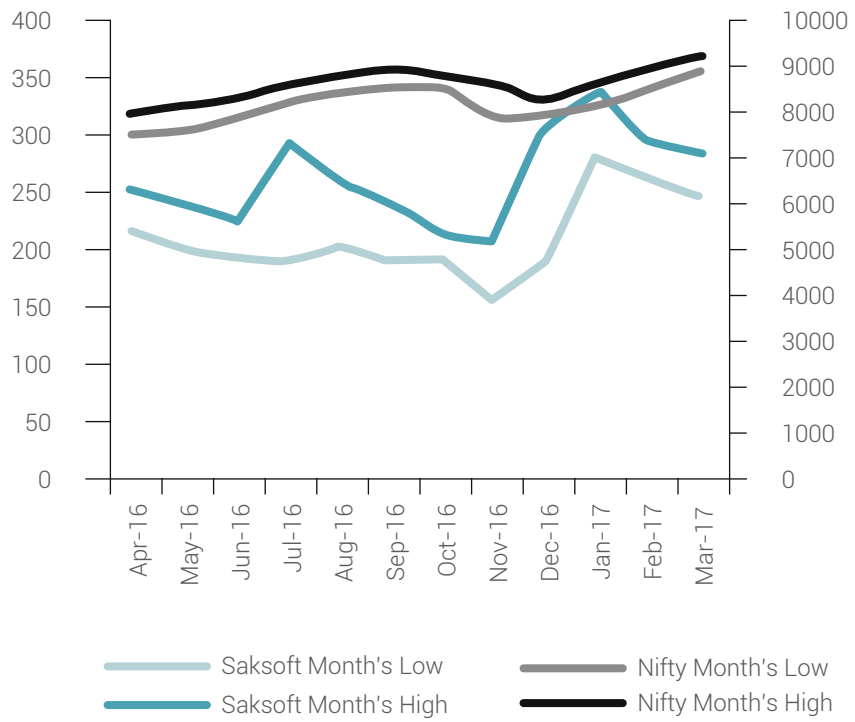
Particulars	Details
(a) Annual General Meeting	Date: 07th August, 2017 Time: 11 A.M Venue : P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.
(b) Financial Year Periodical results	The financial year of the Company is 1st April to 31st March
	Tentative details of the financial calendar for the year are as under
Results for I Quarter ending 30th June 2017	Second week of August 2017
Results for II Quarter ending 30th September 2017	Last week of October 2017
Results for III Quarter ending 31st December 2017	First week of February 2018
Results for the year ending 31st March 2018	Last week of May 2018
Book Closure Date	31st July, 2017 to 7th August, 2017 (both days inclusive)
(c) Dividend Payment Date	Between 13th August, 2017 and 1st September, 2017
(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)	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 Shares are permitted to be traded under the permitted trading category in: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. 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.
(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:

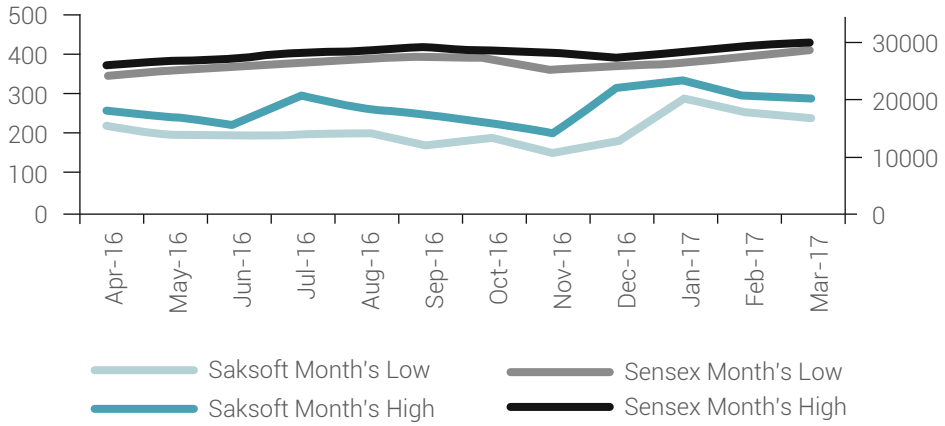
	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price Low	Saksoft Price High	Nifty Price Low	Nifty Price High	Saksoft Price Low	Saksoft Price High	Sensex Price Low	Sensex Price High
April 2016	215.10	253	7516.85	7992	217	252.70	24523.20	26100.54
May 2016	201.55	242.80	7678.35	8214	200	242	25057.93	26837.20
June 2016	191.25	224.40	7927.05	8308	195.70	221.95	25911.33	27105.41
July 2016	191.25	294.50	8287.55	8675	201.10	295	27034.14	28240.20
August 2016	205.25	259.90	8518.15	8819	204.70	263.95	27627.97	28532.25
September 2016	192	244.95	8555.2	8969	172.35	245	27716.78	29077.28
October 2016	193	214.95	8506.15	8807	193	226.40	27488.30	28477.65
November 2016	154.05	204.90	7916.40	8670	152	204	25717.93	28029.80
December 2016	185.10	307.10	7893.80	8275	185.70	315.90	25753.74	26803.76
January 2017	282	340	8133.80	8673	283.6	333	26447.06	27980.39
February 2017	261.05	293.90	8537.50	8982	256	295.50	27590.10	29065.31
March 2017	245	284	8860.10	9218	245	286	28716.21	29824.62

(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 NSE Nifty 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 - 28460129
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 2017:**

Shareholding (₹)	Shareholders		Shares Amount	
	Number	%	₹	%
Upto 1000	2,971	67.19	1,044,680	1.00
1001-5000	971	21.96	2,441,120	2.34
5001-10000	221	4.99	1,737,310	1.66
10001- 20000	121	2.74	1,838,980	1.76
20001-30000	46	1.04	1,149,840	1.10
30001-40000	23	0.52	830,710	0.79
40001-50000	6	0.14	268,840	0.26
50001-100000	22	0.50	1,546,480	1.48
100001 and above	41	0.92	93,692,040	89.61
Total	4,422	100.00	104,550,000	100.00

(l) **Dematerialization of Shares and liquidity**
As at 31.03.2017, 99.90% 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 contr acts booked with all the ADs from April 2016-March 2017	Amount of contracts cancelled with all ADs from April 2016- March 2017	Amount utilized (by delivery of documents) from April 2016-March 2017	Amount of contracts o/s with all ADs as on 31st March 2017	Available limits under past per-formance as on 31st March 2017
Export	USD 1.70 GBP 0.04	NIL	USD 2.15 GBP 0.02	USD 1.35 GBP 0.02	USD 3.69 GBP NIL
Import	NIL	NIL	NIL	NIL	NIL

(o) Office Location/Delivery Centre:

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 Development Centre: B 35 - 36, Sector 80, Phase II (Near Moserbaer) Noida – 201305 Phone : + 91 120 428 6231 33	Saksoft Inc., Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302. P. +1 201 451 4609/4612 F: +1 212 504 8026 10 S Riverside Plaza Suite 1800 Chicago, IL 60606 Phone : +1 312 474-6155	Saksoft Pte Limited 10 Jalan Besar #10-12 Sim Lim Tower Singapore - 208787 P. +65 6224 2550 F: +65 6224 2783
Saksoft Solutions Limited (Previously known as Saksoft Investments Pvt Ltd) and Acuma Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY P.+44-8707894321 F:+44-8707894002	Electronic Data Professionals Inc., 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020 Phone: +1 215-639-0304 Fax: +1 866-876-9151	Threesixty Logica Testing Services Private Limited Reg.off: H.No. 162, Bank Colony, Mandoli, Nandnagri, New Delhi – 110093 Corp off: B 35 - 36 Sector 80, Phase II Noida, UP 201305 India Phone: +91-120-42682 31/33
Threesixty Logica Testing Services Inc. 640 W California Ave, Suite 210 Sunnyvale CA 94086 (USA) Phone: +1 925 271-2558	DreamOrbit Softech Private Limited Ascend-19, 2nd Floor, 1st Cross, 17th C Main, 5th Block, Koramangala, Bangalore – 560 095 Phone: 91-80-40989881	DreamOrbit, Inc., 2711, Centerville Road, Suite 400, Wilmington, Delaware -19808 Phone : +1 302-907-9068

(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 2016-17 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 2016-17, there were no material related party transaction 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 2016-17, 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, 2017.

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

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;	http://www.saksoft.com/company/investor-relations
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

Auditors' 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 2017, 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 (Revised 2016) 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 specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C,D and E of Schedule V of the Listing Regulations, as applicable.

We 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.

Restrictions on use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Suri & Co
Chartered Accountants
Firm Regn No. 004283S

S.Ganesan
Partner
M.No. 018525

Place: Chennai
Date: 26-05-2017

ANNEXURE - 9

Management Discussion and Analysis

Global economy overview

Global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage points for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US. However, long-term prospects of emerging market economies have improved on the back of a visible lowering of interest rates in advanced economies and firming of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown (Source: IMF & World Bank).

Emerging markets and developing economies (EMDEs): Aggregate growth for EMDEs was estimated at 3.5% for 2016, just above the post-crisis low reached in 2015. However, the overall forecast masks a marked difference between countries with strong commodity import-export ratios. After stagnating in 2015, growth in commodity-exporting EMDEs for 2016 was pegged at 0.4% – substantially below the forecasted 1.6% (January 2016). This reflects a significant downward revision in terms of commodity prices spurred by weak global trade, volatile capital flows and inherent domestic challenges.

Inflation and commodity prices: With China reorienting itself into a consumption-centric economy and Saudi Arabia reducing its dependence on oil, the case for base metals has been strengthened. This has in turn propped up commodity prices. Consequently, inflation rates have recovered across advanced economies and commodity prices bottomed out in recent months.

Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may provide some respite for resource-rich economies in 2017, but the medium-term outlook continues to be bleak with growth weakening in terms of investment and labour supply. Businesses will need to prepare themselves adequately in order to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatilities and rapid changes in technology. They can do so by leveraging qualitative sources of growth and boosting their technological quotients and business productivity ratios. (Source: https://www.conference-board.org/data/globaloutlook/)

Indian economic overview

India's economic growth was pegged at 7.1% for the current fiscal (FY 2017), down from the 7.6% recorded in the last financial year (FY 2016). Although the demonetisation initiative affected the growth rate by 25-100 bps, this is expected to yield long-term benefits. The growth rate of the industrial sector was estimated to moderate to 5.2% in FY 2017, down from 7.4% in FY 2016. The country's IIP registered a modest growth of 0.4% during the April-November period of 2016-17. With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rain than the usual, the agriculture sector is expected to grow at an above- average level of 4% on a weak base caused by two consecutive poor monsoons. This should lift the sagging rural demand and, by extension, the GDP growth rate. The major impetus is expected to come from the farms as non-agriculture growth is pegged to pick up by 10 bps over the previous fiscal to 8.6%. (Source: Crisil)

The Union Budget for 2016-17 came in the context of a fragile economic situation. It was not just the stress in the rural economy, which has caused a steady decline in real wages as well as lowered farm incomes. There was also the slowdown in manufacturing segment and the rising incidence of NPAs. The Union Budget for 2017-18 set aside ₹48,700 crore for the MNREGA scheme so as to lend a shot in the arm to skill development. The Economic Survey announced that the eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity – registered a cumulative growth of 4.9% during the April-November period of 2016-17 compared to 2.5% during the same period of the previous fiscal.

Outlook

The near-term growth outlook for India seems brighter than it was during the last fiscal. Nonetheless, the growth forecast for the next fiscal has been trimmed by 40 bps. This has been primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative (Source: IMF).

Subsequently, India's GVA growth is likely to stay at 6.6% as economic activity will take more time to normalise (Source: ICRA). The imminent implementation of the GST will boost interstate trade by ushering in investments, reducing supply chain-related issues, improving economies-of-scale and cutting down overheads.

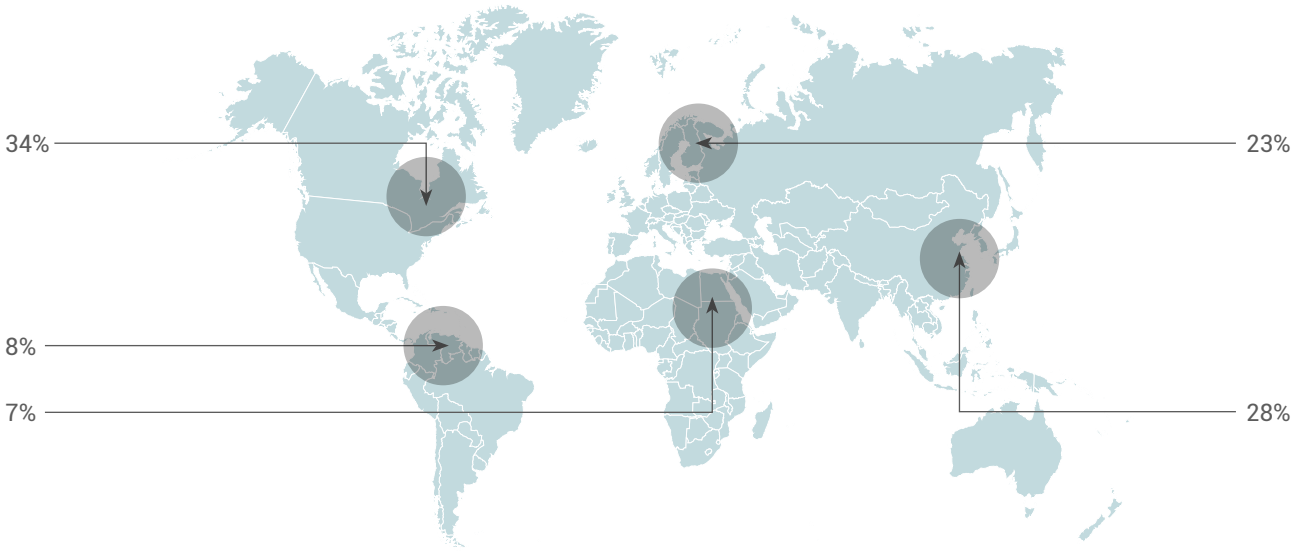
Global IT industry outlook

Technology companies are continually on the leading-edge, considering unconventional and innovative ways to meet the demands of the savvy consumer. Global IT industry's projected growth rate stands at 4.1 percent in 2017. If this growth materializes, it will push the $3.4 trillion global IT industry past the $3.5 trillion mark by year's end.

The U.S. market represents 28% of the worldwide total, or slightly over $1 trillion. The next largest market is the Asia-Pacific region, which encompasses Japan, China, Australia, India and surrounding countries. The share of the Asia-Pacific region has increasingly accounted for a larger share of the global IT pie. This has mostly come at the expense of the Western European market growing at a slower rate and thereby reducing its proportional share over time.

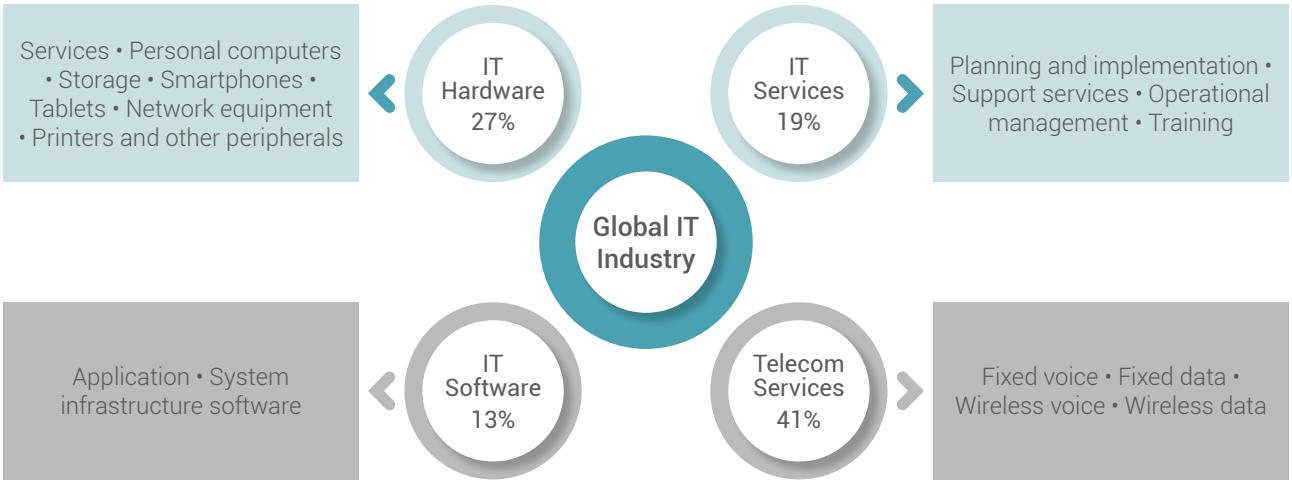
The Global Information Technology Industry: $3.4 Trillion

Estimated 2016 revenue at constant currency | Encompasses hardware, software, services and telecommunications



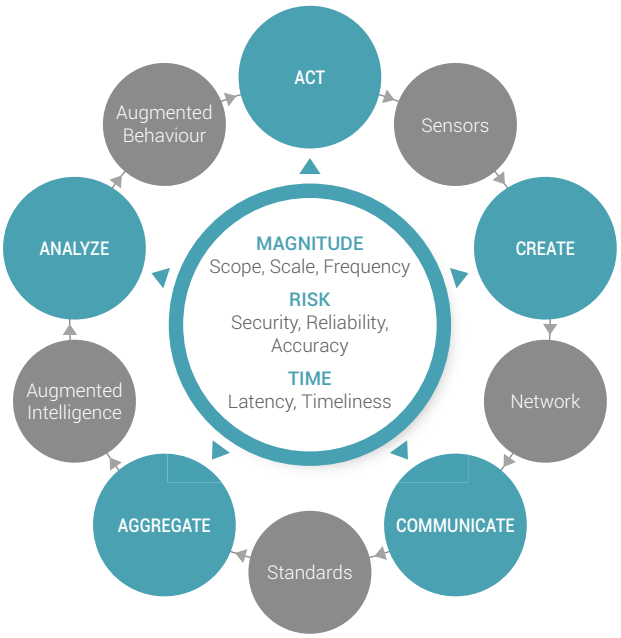
Source: IDC

Key segments of global IT market



Digital transformation is driving the dynamics of the IT industry. Companies are starting to grasp the disruptive nature of this new era in enterprise technology, and they are using the tools of the cloud era to redefine their organization and expand their IT capabilities.

Beyond the buzz and the backlash, the Internet of Things (IoT) is primed to be a massive disruptor. As physical objects gain intelligence and connectivity, new opportunities will rise across all industries. The transition will take time, though. The pace of technology has accelerated, but the complexity of IoT and the regulations and protocols required for integration will drive a long adoption cycle. The breadth of potential applications has allowed many companies to venture into this space and the lessons learned from cloud initiatives will help businesses consider security implications and hidden costs as they continue discovering the benefits of connected systems. Beyond individual business applications, one of the prime drivers for IoT will change everyday life. Smart City initiatives will bring about societal change as they also pave the way for large-scale technology efforts.



Value Drivers

Stage

Technologies

CREATE: The use of sensors to generate information about physical event or state.

COMMUNICATE: The transmission of information from one place to another.

AGGREGATE: The gathering together of information created at different times or from different sources.

ANALYZE: The discemment of patterns or relationships among phenomena that leads to descriptions, predictions, or prescriptions for action

ACT: Initiating, maintaining or changing a physical event or state

Technologies enabling Internet of Things

Technology	Definition	Examples
Sensors	A device that generates an electronic signal from a physical condition or event	The cost of an accelerometer has fallen to 40 cents from $2 in 2006. Similar trends have made other types of sensors small, inexpensive, and robust enough to create information from everything from fetal heartbeats via conductive fabric in the mother's clothing to jet engines roaring at 35,000 feet.
Networks	A mechanism for communicating an electronic signal	Wireless networking technologies can deliver bandwidths of 300 megabits per second (Mbps) to 1 gigabit per second (Gbps) with near -ubiquitous coverage.
Standards	Commonly accepted prohibitions or prescriptions for action	Technical standards enable processing of data and allow for interoperability of aggregated data sets. In the near future, we could see mandates from industry consortia and/or standards bodies related to technical and regulatory IoT standards.
Augmented Intelligence	Analytical tools that improve the ability to describe, predict, and exploit relationships among phenomena	Petabyte-sized (1015 bytes, or 1,000 terabytes) databases can now be searched and analyzed, even when populated with unstructured (for example, text or video) data sets. Software that learns might substitute for human analysis and judgment in a few situations
Augmented Behavior	Technologies and techniques that improve compliance with prescribed action	Machine-to-machine interfaces are removing reliably fallible human intervention into otherwise optimized processes. Insights into human cognitive biases are making prescriptions for action based on augmented intelligence more effective and reliable.

Indian IT and BPM sector overview

Speedily-evolving technology landscapes and the emergence of digital business has created a need for enterprises to look for a partner to advise, design and execute their technology-driven business transformation and support programs. Large multinational enterprises are engaging global IT services companies who can deliver high-quality service on a global scale and at competitive costs. Over the past two decades, with the emergence of the internet and inexpensive connectivity, the global delivery model of service delivery has risen to become the preferred model in sourcing of IT services, business process services and research and development services. In this period, service providers have gained rich technological expertise, strong domain competency and robust delivery capabilities by either developing organically or by acquiring companies with these competencies. Large enterprises are engaging global IT services companies to deliver high quality service on a global scale and at competitive costs.

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67% of the USD 124-130 billion market. The industry employs about 10 million-strong workforce. The government's 'Digital India' campaign envisages a USD 20 billion investment, covering mobile connectivity throughout the country, re-engineering of government processes via technology and enabling e-delivery of citizen services.

The IT-BPM (business process management) sector which is currently valued at USD 143 billion is expected to grow at a compound annual growth rate (CAGR) of 8.3% year-on-year to USD 143 billion for 2015-16. The sector is projected to contribute as much as 9.5% of India's gross domestic product (GDP) and more than 45% in total services export over the next 1-2 years.

India's internet economy is expected to touch USD 146.72 billion by 2018, accounting for 5% of the country's GDP. India's internet user base reached over 432 million by December 2016 (expected to almost double to 730 million by 2020, leaving the US far behind), the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smartphones grew to 160 million (Source: tech Sci, Make in India).

The growth of Indian IT-BPM sector will come on the back of the digitization wave catching up with Indian companies and the growing number of connected devices that form the Internet of Things (IoT).

Over the last few years, enterprises around the world are embracing the reality that digital transforms every aspect of business. Experiences, consumers, entire industries, business models and ways of working are all rapidly and fundamentally changing. Recognition of these trends, combined with the realization that enterprises may not be able keep up with this pace of change, has a profound impact on our clients.

This requires new business models, new ways of working and integrated capability across strategy, design and technology. According to NASSCOM Perspective 2025: Shaping the Digital Revolution, the Indian technology and services industry is on track to reach $200 billion to $225 billion in revenues by 2020, from a base of $143 billion in 2016, and reach revenues of $350 billion by 2025. The digital transformation of businesses provides opportunities for IT services industry in providing a range of new services.

Considering the near-term headwinds including a slowing global economy, political uncertainty and the issues with regards to the US dispensation's views on H1B (work visas), NASSCOM expects FY17 IT export growth rates to be between 10-12%.

India's core value proposition

Connected economy – Digital ready market

- Growing spending power ~ 1.2 billion people
- Online user base 375 million (49% of global)
- Mobile internet users 300 million
- Mobile connections 996 million (2nd after China)

World's fastest growing 'digital & innovation hub'

- Digital skilled talent: e: 250,000 (65%)
- Digital revenue ~11-14 per cent (5%)
- Innovative start-ups > 4,200 (3rd largest)
- B2B start-ups 40% of total start-ups (~250% funding)
- Cross-border M&As >60 (>30%)

Digital India: Making India a smart nation

- Smart cities
- Digital India (9 pillars)
  - Broadband highways
  - Universal access to mobile connectivity
  - Public Internet access program
  - e-Governance – Reforming government through technology
  - ekranti – Electronic delivery of Government services
  - Information for all
  - Electronics manufacturing
  - IT for jobs
  - Early harvest programs

Highest volume of diverse, employable talent

- Largest talent base: 6.2 million (~7%)
- Out turn: ~5 million other graduates and ~1 million technical graduates
- Industry adopting initiatives to upscale digital need: Building digital capabilities, promoting entrepreneurial culture
- Industry acquiring 'niche skills' in every domain; employee structure shifting from pyramid to hour glass.

Maturity – excellence in business delivery

- >16000 firms diverse suppliers landscape
- 78 countries serving global locations
- 80% customers Fortune 500 Enterprises
- ~USD 4.9 billion investment in start-ups, 125% growth over 2014
- >50 alternate delivery locations
- ~670 ODCs leveraging globalized value chains
- ~50 partnerships leading to 40 new clients collaboration between large and small providers

Source: NASSCOM

Growth drivers

- Emerging geographies and verticals, non-linear growth due to platforms, products and automation
- Revival in demand for IT services from US and Europe
- Increasing adoption of technology and telecom by consumers and focused government initiatives – leading to increased Information and communication technology adoption
- Use of IT in emerging verticals (retail, healthcare and utilities) are driving Indian IT sector growth
- India has been creating a future-ready digital workforce, with more than 0.15 million employees SMAC (social, mobile, analytics, cloud) skills. The SMAC (social, mobility, analytics, cloud) market is expected to grow to USD 225 billion by 2020
- The National Optical Fibre Network (NOFN) is being laid down in phases to connect all the 0.25 million gram panchayats in the country
- The government's Digital India campaign envisages a USD 20 billion investment covering mobile connectivity throughout the country, re-engineering of government process via technology and enabling e-delivery of citizen services.

(Source: Make in India)

Interesting facts about digital and data analytics

- More data has been created in the past two years than in the entire previous history of the human race!
- By 2020, about 1.7 megabytes of new information will be created every second for every human being on the planet
- By 2020, our accumulated digital data universe could grow from 4.4 zettabyets today to around 44 zettabytes (or 44 trillion gigabytes)
- Some 40,000 search queries are performed every second (on Google alone), which makes it 1.2 trillion searches per year
- In August 2015, over 1 billion people (a seventh of humankind) used Facebook in a single day!
- Facebook users send an average 31.25 million messages and view 2.77 million videos every minute!
- Some 300 hours of video are uploaded to YouTube every minute
- By 2017, nearly 80% of photos will be taken on smart phones
- This year, over 1.4 billion smart phones will be shipped - all packed with sensors capable of collecting all kinds of data
- By 2020, there will be more than 6.1 billion smartphone users globally (overtaking basic fixed phone subscriptions)
- Within five years there will be over 50 billion smart connected devices in the world, all developed to collect, analyze and share data
- By 2020, at least a third of all data will pass through cloud (a network of servers connected over the Internet)
- Distributed computing (performing computing tasks using a network of computers in the cloud) is very real. Google uses it every day to involve about 1,000 computers in answering a single-search query, which takes no more than 0.2 seconds to complete
- The Hadoop (open source software for distributed computing) market is forecast to grow at a compound annual growth rate 58% surpassing $1 billion by 2020
- Estimates suggest that by better integrating big data, healthcare could save as much as $300 billion a year — that's equal to reducing costs by $1000 a year for every man, woman, and child
- For a typical Fortune 1000 company, just a 10% increase in data accessibility will result in more than $65 million additional net income
- Retailers who leverage the full power of big data could increase operating margins by 60%
- Less than 0.5% of all data is analysed and used!

Source: www.forbes.com

Internet of Things (IoT)

Internet of Things (IoT) or Internet of Everything (IoE), refers to devices or objects connected to the Internet.

The devices could be as diverse as a smartwatch, Fitbit or even refrigerator.

These devices collect and transmit data via the Internet, contributing to the big data world.

Smart, connected devices are already transforming our world and the competitive forces in business. To demonstrate what impact this sector will have on our lives, some mind-boggling IoT numbers are presented to prove that the phenomenon is here to stay.

- Back in 2008, there were already more objects connected to the Internet than people
- This year, we will have 4.9 billion connected things
- By 2020, the number of Internet-connected things could reach, or even exceed, 50 billion
- By 2020, the world could have a staggering 6.1 billion smartphone users
- The IoT will connect many home devices - from smart thermostats to smart fridges. Towards this effect, Google bought smart thermostat maker, Nest Labs, for USD 3.2 billion and Samsung purchased connected home company SmartThings for USD 200 million
- By 2020, a quarter of a billion vehicles will be connected to the Internet, creating new in-vehicle services and automated driving possibilities
- The global market for wearable devices grew 223% in 2015, with Fitbit shipping 4.4 million devices and Apple selling 3.6 million Apple Watches
- Internet-connected clothing is an emerging reality; estimates predict that 10.2 million units of smart clothing will be shipped by 2020 compared to 140K units in 2013
- The market for Radio Frequency Identification tags, used for transmitting data to identify and track objects, is expected to grow from $11.1 billion to $21.9 billion in 2020
- Machine-to-machine (M2M) connections could grow from 5 billion at the beginning of this year to 27 billion by 2024, with China taking a 21% share and the U.S. 20%
- According to estimations by the McKinsey Global Institute, the IoT will have a total economic impact of up to $11 trillion by 2025.

Forbes believes that less than 0.1% of all devices that could be connected to the Internet are connected to the Internet, touching limitless possibilities.

Key challenges

The Indian IT–BPM industry is passing through challenges, affected by global protectionism, evolving political scenarios, changing visa regulations and new technologies. The IT services sector is facing pressing issues of pricing, IT spending decline and shrinking deal size.

Following digital disruption, global companies are shifting towards digital services and cloud computing. These companies are looking for high-value propositions and innovative solutions over conventional solutions. Following the shift towards digital, Indian companies are lagging in up-skilling employees for 'high-value' work and new-age technologies.

While emerging technologies have created opportunities, they have also given rise to uncertainties; automation and Artificial Intelligence (AI)-based platforms are progressively replacing processes dependent on human input.

Opportunities

Electronics manufacturing

- To boost Indian electronic manufacturing, the differential duty scheme could be extended to other categories of ITA goods, including laptops, desktops, e-readers and networking switches
- There is a need to encourage populated printed circuit board (PCB) manufacture by restricting imports

Digital payments

- Additional measures could encourage digital payments: retreating charges on digital payments and mandating government departments to include options for digital payments
- The government needs to invest in advanced technological infrastructure to ensure seamless transactions and improve the overall banking system
- The promotion of definitive standard operating procedures (SOPs) and tax rebates could boost Indian e-payments.

Optical fibre rollout and digital village

- The government has allocated ₹10,000 crore for the Bharat Net project, covering about 155,000 km
- By 2017-18, high speed broadband is likely to reach more than 150,000 gram panchayats with low-tariff Wi-Fi hotspots
- Launch of DigiGaon initiative to provide education, telemedicine and skills via digital technology.

Bharat Interface for Money (BHIM) application

- The announcement of two schemes to promote BHIM application comprise the cashback scheme for merchants and the referral bonus scheme.

The government announced the following in the railway budget: service tax abolished for online reservations through Indian Railway Catering and Tourism Corporation website; the announcement of a Metro Rail policy to encourage hardware and software indigenization through a digital economy thrust; Clean My Coach, an SMS-based service.

Outlook

The Indian IT sector is expected to grow at a rate of 12-14% for FY2017-18 in constant currency terms. The sector is also expected to treble annual revenues to USD 350 billion by FY 2025. India is a leading offshoring destination for global IT companies. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer a new gamut of opportunities. Social, Mobility, Analytics and Cloud (SMAC) are collectively expected to generate a US$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around USD 650-700 billion by 2020. The social media is the second most lucrative segment for IT firms, offering a USD 250 billion market opportunity by 2020. The Indian e-commerce segment is US$ 12 billion in size, witnessing strong growth and offering another attractive avenue for IT companies to develop products and services to cater to the high growth consumer segment. Overall, NASSCOM expects the Indian IT industry to grow 8-10% in FY18.

Something interesting!

India ranks third among global start-up ecosystems with more than 4,200 start-up companies

ANNEXURE - 10

Risk Management Framework

Saksoft's risk management is an enterprise-wide function backed by a team of qualified specialists with robust sectoral experience in the development of methodologies to mitigate risks.

Major risk	Mitigation plan
Information security and cyber security breaches could result in systemic failures, loss and disclosure of confidential information.	Strong counter measures implemented and programs to continuously monitor the effectiveness of the controls have been implemented. Focus on sustaining controls and continuous improvement of solutions.
Intellectual property violating or misusing our clients' intellectual property rights.	At our Company, we have rolled-out elaborate programs in the past few years to assess and mitigate the risks on account of IP, both customer and Company-owned. The program assists in identification, monitoring and creating awareness across the teams.
Economic slowdown risks	While this risk is beyond our immediate control, with a view to mitigate this risk, we focus on diversifying our customer base and geographic presence. We also look to extend customer intimacy through a focus on helping customers identify value out of our products and solutions.
Regulatory compliances risk with non-compliances that could result in substantial fines, sanctions etc.	The program is monitored and regularly reviewed to ensure compliances are in place. We also have a strong whistle blower policy that encourages employees to raise flags in the case of anomalies with their identities protected.

Major risk	Mitigation plan
Delivery risks, especially for complex programs.	We possess strong domain expertise and rich intellectual capital that helps mitigate delivery risks. Plus through the acquisition of DreamOrbit, we have added a strong delivery team with niche IoT capabilities in the logistics domain.
Human resource risks in terms of attrition and loss of intellectual capital.	At Saksoft, we are focused on executing structured human resource practices that are designed to keep our staff motivated, engaged and loyal. Besides, we offer a challenging workplace environment with industry benchmarked remuneration and non-monetary benefits. With these, our attrition rates are lower than the industry with the resultant protection of intellectual capital.
Financial risks that could stretch our balance sheet and risk our positioning as a going concern.	At our Company, we focus on an asset-light approach with a strong emphasis on offshoring/near-shoring that enables us to improve our billing rates on the one hand and optimise costs on the other, protecting our profitability levels. Besides, we also invested about ₹25 cr out of internal accruals, without diluting equity on the one hand and taking additional debt on the other, resulting in profitability accretion as these investments pay off. Moreover, we are virtually debt-free on a net-debt basis with cash / liquid balances of ₹225 mn as on 31 March 2017. In addition, we optimized our debtors which helped lubricate our working capital cycle.
Customer attrition risks.	Though this risk is also beyond our control after a point, we focus on working with clients spread across sectors (public and private) domains and industries. Following the acquisition of DreamOrbit, we enjoy access to 70+ enterprise customers (logistics and transportation domains), which has increased our customer base with strong up-sell/cross-sell opportunities. In 2016-17, we created a specialized in-house bid team, bagging three multi-year million-dollar-plus accounts, a focus that is likely to increase.

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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the Company's Directors, as well as evaluating the overall presentation of the 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.

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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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'.

   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 financial position in the 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.

      iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 22 (l) to the standalone financial statements.

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S.Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 26th May, 2017

Annexure A to the Auditors' report

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2017, we report that:

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. The Company does not have any immovable properties, hence this clause is not applicable.

(ii) The Company is a service company, primarily rendering software development and support services. Accordingly it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order 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 Companies Act, 2013. Thus, paragraph 3(iii) (a) and (b) of the Order is not applicable.

(iv) The Company has not advanced any loans. In respect of investments and guarantee, provisions of Section 185 and 186 of the Companies Act, 2013 has been complied.

(v) The Company has not accepted any deposits.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.

(vii) a.) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance Fund, Income Tax, Service Tax, cess and other statutory dues with the appropriate authorities and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b.) According to the information and explanations given to us, there are no dues of Income tax, Service tax, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of dues	Amount Disputed (₹)	Amount Paid (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax dues	22,783,883	15,379,843	Financial year 2008-09	CIT (A)
Income Tax Act, 1961	Income tax dues	17,74,972	Nil	Financial year 2010-11	Rectification before the Assessing Officer.
Income Tax Act, 1961	TDS Dues	5,162,111	Nil	Financial years 2011-12, 2010-11, 2009-10, 2008-09 and prior years.	Rectification petition filed before the Assessing Officer.
The Finance Act, 1994	Service Tax dues	32,609,738	2,500,000	October 2004 to March 2009	Customs, Excise & Service Tax Appellate Tribunal, Chennai.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and has raised money by way of term loan and has applied it for the purpose for which it was raised .

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S.Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 26th May, 2017

Annexure B to the Auditors' report

(Referred to in our report of even date)

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 March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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. 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.

Auditors' 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the 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 were 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 judgment, including the assessment of the risks of material misstatement of the 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S.Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 26th May, 2017

Balance Sheet as at 31 March 2017

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

	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	104.55	103.95
(b) Reserves and Surplus	3	610.87	540.08
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	346.18	255.13
(b) Long-Term Provisions	5	5.03	5.85
(3) Current Liabilities			
(a) Trade Payables			
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		17.68	17.49
(b) Other Current Liabilities	6	63.08	51.99
(c) Short-Term Provisions	7	11.38	48.62
		1,158.77	1,023.11
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	8	14.52	14.93
(ii) Intangible Assets	9	2.47	1.89
(b) Non-Current Investments	10	992.81	771.68
(c) Deferred Tax Assets (Net)	11	12.52	14.43
(d) Long term Loans and Advances	12	6.82	8.72
(2) Current Assets			
(a) Current Investments	13	-	27.05
(b) Trade Receivables	14	91.71	123.34
(c) Cash and Bank Balances	15	3.41	28.45
(d) Short-Term Loans and Advances	16	32.58	26.13
(e) Other Current Assets	17	1.93	6.49
		1,158.77	1,023.11

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2017

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

		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue				
I.	Revenue from Operations			
	Sale of services		506.76	507.47
II.	Other Income	18	26.09	43.64
III.	Total Revenue (I+II)		532.85	551.11
Expenses				
Employee benefits expense		19	253.27	221.07
Finance Costs		20	37.67	36.39
Depreciation and amortization expense			7.67	6.14
Support / Third party charges			31.45	40.84
Other expenses		21	107.84	101.32
IV.	Total Expenses		437.90	405.76
V.	Profit before exceptional and extraordinary items (III-IV)		94.95	145.35
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items		94.95	145.35
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (PBT)		94.95	145.35
X.	Tax Expense:			
	(a) Current Tax			
	For the year		25.95	39.00
	For earlier years		(1.64)	-
	(b) Deferred Tax		1.91	1.61
XI.	Profit/ (loss) for the period [Profit After Tax (PAT)]		68.73	104.74
XII.	Earnings per equity share of ₹10 each (in ₹)			
	(1) Basic		6.96	10.67
	(2) Diluted		6.48	9.94

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Cash Flow Statement for the year ended 31 March 2017

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

		Year ended March 31, 2017	Year ended March 31, 2016
A	Cash Flows From Operating Acitivities		
	Profit after tax:	68.76	104.74
	Adjustments for:		
	Tax expense for the year	26.22	40.61
	Depreciation & amortisation	7.66	6.14
	(Profit)/Loss on sale of fixed assets, net	(0.00)	(0.24)
	(Profit)/Loss on sale of Investments	1.26	(4.32)
	Provision for diminution in the value of investments	-	3.01
	Bad debts written off	1.45	-
	Interest and other Income	(0.02)	(0.75)
	Dividend Income	(22.33)	(31.19)
	Income received from subsidiary on Liquidation	(0.40)	-
	Interest and Finance charges	37.68	36.39
	Unrealised foreign exchange loss/ (gain) , net	1.82	1.23
	Operating capital before working capital changes	122.10	155.62
	(Increase)/ decrease in sundry debtors	28.25	(36.00)
	(Increase)/ decrease in other current assets, loans and advances	5.87	(4.12)
	Increase/(decrease) in current liabilities and provisions	(7.86)	(19.41)
	Cash generated from operations	148.35	96.09
	Taxes paid, net	(30.16)	(41.83)
	Net cash flow from operating activities	118.19	54.26
B	Cash Flow From Investing Activities		
	Purchase of Fixed asset	(8.68)	(13.56)
	Proceeds from sale of Fixed assets	0.84	1.16
	Interest and other Income	0.02	0.75
	Sale / (Purchase) of Current Investments , (net)	27.05	(27.05)
	Sale / (Purchase) of Non current Investments , (net)	(221.98)	30.40
	Proceeds from liquidation of Subsidiary		
	Dividend income Received	22.33	31.19
	Net cash flow from Investing activities	(180.42)	22.89

Cash Flow Statement for the year ended 31 March 2017

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

		Year ended March 31, 2017	Year ended March 31, 2016
C	Cash Flow From Financing Activities		
	Proceeds/ (repayment) of borrowings	103.56	(11.53)
	Interest and Finance charges	(37.68)	(36.39)
	Proceeds from allotment of shares	2.66	2.02
	Dividend paid	(31.35)	(31.32)
	Net cash flow from Financing activities	37.18	(77.22)
D	Exchange Difference On Translation Of Foreign Currency Cash & Cash Equivalents	-	0.06
	Net (Decrease)/ Increase of cash and cash equivalents (A+B+C+D)	(25.04)	(0.01)
	Cash and cash equivalents at the beginning of the year	28.45	28.46
	Cash and cash equivalents at the end of the year	3.41	28.45

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence, Testing, Digital, Cloud, Mobility ,IoT, Big Data & Software Solutions across Industries & 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.

Note-1: Significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises Accounting Standards notified by the Central Government of India , other pronouncements of the Institute of Chartered Accountants of India, provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India ('SEBI').

b. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported 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. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Property, Plant & Equipment, Capital work-in-progress and depreciation/amortisation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Computer equipments and Office equipments is provided on the straight line method over the useful life as prescribed in Schedule II of the Companies Act 2013. In respect of other assets, the depreciation is provided over the 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

Individual assets costing ₹5,000/- or less are depreciated at 100% in the year of purchase.

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

Depreciation on leased assets is charged over the period of lease or the life of the asset whichever is lower.

d. Intangible assets and amortization

Intangible assets comprising intellectual property rights and software costs are amortized over a period of 36 and 60 months respectively from the date of acquisition. Self-generated intellectual property rights / software assets are generally not capitalized.

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

e. 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 the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the lease term or its useful life, whichever is shorter. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and are recorded as expense on a straight line basis over the lease term.

f. Impairment of assets

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of an asset's net selling price and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exits, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

g. 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 long term investments.

- Long term investments are stated at cost and any decline other than temporary in the value of investments is charged to profit and loss account.
- Current investments are stated at the lower of cost and fair value.

h. Foreign currency transactions

Transactions in foreign currencies are recorded at exchange rates that approximate the rate prevailing on the dates of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account.

i. Revenue recognition

Revenue from software services comprises revenue from time and material and fixed price contracts.

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

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

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

Revenue from sale of software 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.

Dividend income is recognized when the Company's right to receive dividend is established.

Interest income is recognized on the time proportionate method.

j. Employee benefits

Provident Fund

Contributions payable to the recognized provident fund which is a defined contribution scheme are charged to the profit and loss account.

Gratuity

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. 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. All actuarial gain/loss are immediately recorded to the profit and loss account and are not deferred. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

Compensated Absences

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.

k. Taxation

Income-tax expense comprises current tax (i.e. 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 timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

l. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all measurable dilutive potential equity shares.

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

The shares issued to the Saksoft Employees Welfare Trust have been considered as outstanding for basic EPS purposes, to the extent the options have been exercised by the employees. 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.

m. Employees stock option schemes

The Company uses the intrinsic value method of accounting for its employee share based compensation plan and other share based arrangements. Under this method compensation expense is recorded over the vesting period of the option, if the fair market value of the underlying stock on the date of the grant exceeds the exercise price.

n. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 or a present obligation that may, but probably will not, require an outflow of resources. 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.

Contingent assets are neither recognised nor disclosed in the financial statements.

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

Particulars		As at March 31, 2017	As at March 31, 2016
Note 2 Share Capital			
A)	Authorised, Issued, Subscribed and Paid up Share capital		
	Authorised:		
	20,100,000 Equity Shares of ₹10 each	201.00	201.00
	Issued & Subscribed & Paid-up:		
	10,455,000 Equity Shares of ₹10 each	104.55	103.95
	Total	104.55	103.95
(B)	Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
	Outstanding as at beginning of the year	1,03,95,000	1,03,60,000
	Add: Shares allotted to employees pursuant to ESOP 2009	60,000	35,000
	Outstanding as at the end of the year	1,04,55,000	1,03,95,000

(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, 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
1	Aditya Krishna	21,18,520	20.26%	23,23,070	22.35%
2	Sak Industries Private Limited	45,54,550	43.56%	43,50,000	41.85%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,42,460	5.22%
	Total	72,05,530	68.91%	72,15,530	69.42%

(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	375,000 Options (PY: 515,000 Options)	Employees	ESOP 2009

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 3 Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	86.42	84.74
Add: Additions during the year		
- On issue of Shares	2.06	1.68
Closing balance	88.48	86.42
(C) Other Reserves:		
(i) General Reserve		
Opening Balance	46.44	46.44
Add: Additions during the year		
- Amount transferred from Surplus in Statement of Profit and Loss	-	
Closing Balance	46.44	46.44
(D) Surplus in Statement of Profit and Loss		
Opening balance	407.01	333.62
Add: Additons during the year		
- Profit for the year	68.73	104.74
Total	475.74	438.36
Appropriations :		
- Transfer to General Reserve	-	-
- Proposed Dividend - Ref. note no. 22 (k) - Previous year - ₹ 3.00 per Share	-	31.19
- Tax on proposed Dividend	-	0.16
Total	-	31.35
Net Surplus in Statement of Profit and Loss	475.74	407.01
	610.87	540.08

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars		As at March 31, 2017	As at March 31, 2016
Note 4 Long Term Borrowings			
(A)	Term Loans		
	From Banks - Secured		
	RBL Bank Limited	30.00	70.00
	Secured by first 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		
	Repayment Terms:		
	Repayable in 3 equal Quarterly installments commencing from April 2018		
	Rate of interest : 10.25%		
	Period and amount of continuing default: NIL		
	HDFC bank Limited	75.00	-
	Secured by first 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.		
	Repayment Terms:		
	Repayable in 15 Quarterly installments commencing from April, 2018.		
	Rate of interest - 10.20%		
	Period and amount of continuing default: NIL		
	Dropline Overdraft		
	HDFC Bank Limited	25.33	-
	Secured by first 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.		
	Repayment Terms:		
	Repayable in 6 Quarterly installments commencing from May , 2018.		
	Rate of interest - 10.20%		
	Period and amount of continuing default: NIL		
(B)	Loans and Advances from Related Parties		
	Unsecured		
	From Sak Industries Private Limited	215.00	185.00
	Repayment Terms:		
	The Loan is repayable in full by 30th September 2020.		
	Period and amount of continuing default: NIL		
(C)	Long Term Maturities of Finance Lease Obligations		
	Secured by hypothecation of cars taken on lease	0.85	0.13
		346.18	255.13

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 5 Long Term Provisions		
Provision for Gratuity	5.03	4.20
Rent Straight lining	-	1.65
	5.03	5.85
Note 6 Other Current Liabilities		
Current maturities of long term loans	52.50	40.00
Current maturities of finance lease obligations	0.63	0.56
Income received in advance	3.24	4.05
Unclaimed Dividend	0.36	0.32
Other payables:		
Tax deducted at source	3.87	5.00
Service tax	0.07	
Provident Fund	2.40	2.06
ESI	0.01	-
	63.08	51.99
Note 7 Short Term Provisions		
Employee benefits	9.73	15.47
Rent Straight lining	1.65	1.80
Provision for proposed dividend (including dividend distribution tax)	-	31.35
	11.38	48.62

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Note 8 .Property, Plant and Equipment

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description		Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at March 31, 2016	Additions during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2016	Depreciation for the Year	Deductions during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1.	Plant & Machinery										
	- General Plant and Machinery										
	- Owned	10.36	-	-	10.36	10.36	-	-	10.36	-	-
2.	Furniture & Fittings										
	- General Furniture and Fittings	16.47	0.08	-	16.55	14.35	0.51	-	14.86	1.69	2.12
3.	Motor Vehicles										
	- Owned	3.47	-	-	3.47	2.53	0.70	-	3.23	0.25	0.94
	- Leased	2.83	2.59	2.45	2.97	2.17	0.90	1.62	1.47	1.51	0.66
4.	Electrical Installations and Equipment										
	- Owned	10.01	0.02	-	10.03	7.12	0.61	-	7.72	2.30	2.89
5.	Computers and data processing units										
	- Owned	39.74	4.19	-	43.92	35.07	2.99	-	38.06	5.86	4.67
6.	Office equipments										
	- Owned	34.16	0.51	0.14	34.53	30.51	1.25	0.14	31.62	2.91	3.65
Total		117.04	7.39	2.59	121.83	102.11	6.96	1.76	107.32	14.52	14.93
Previous year		110.70	12.19	5.85	117.04	101.80	5.25	4.94	102.11	14.93	

Note 9 Intangible Assets

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description		Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at March 31, 2016	Additions during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2016	Depreciation for the Year	Deductions during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1.	Computer software										
	- Acquired	22.76	1.28	-	24.04	20.87	0.71	-	21.58	2.47	1.89
2.	Intelluctual property rights	-	-								
	- Acquired	4.50	-	-	4.50	4.50	-	-	4.50	-	-
Total		27.26	1.28	-	28.54	25.37	0.71	-	26.08	2.47	1.89
Previous year		25.89	1.37	-	27.26	24.48	0.89	-	25.37	1.89	

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars			Face value (fully paid up)	As at March 31, 2017		As at March 31, 2016	
				No. of shares / units	Cost	No. of shares / units	Cost
Note 10 Non-Current Investments							
Trade Investments - Unquoted							
1.	Equity Shares						
	(i)	In subsidiary companies					
		Saksoft Inc, USA	USD 1	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
		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
		ThreeSixty Logica Testing Services Private Limited	INR 10	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	-	-
				57,67,092	934.04	58,06,102	673.79
2.	Preference Shares						
	(i)	In Subsidiary Company					
		5% redeemable preference shares					
		Saksoft Solutions Limited (SSL), United Kingdom #	GBP 1	6,76,015	58.77	11,26,015	97.89
				6,76,015	58.77	11,26,015	97.89
Total					992.81		771.68

4,50,000 preference shares have been redeemed by SSL during the year

@ Saksoft GmbH, Germany and Saksoft FR (France) have been liquidated during the year.

Particulars	As at March 31, 2017	As at March 31, 2016
Note 11 Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	3.31	9.71
Retirement Benefits	8.65	3.52
Other tax disallowances	0.56	1.20
	12.52	14.43

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 12 Long Term Loans and Advances		
(A) Security Deposits		
(i) Unsecured, Considered good	6.55	8.45
(B) Related Party		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	6.82	8.72

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares / units	Cost	No. of shares / units	Cost
Note 13 Current Investments				
Non Trade - Unquoted				
In Liquid Mutual Fund Units				
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)
Total	-	-	2,69,675	27.05
Aggregate fair value of unquoted investments				
Current year (31 March 2017)				-
Previous year (31 March 2016)				27.05

Particulars	As at March 31, 2017	As at March 31, 2016
Note 14 Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	0.20	2.65
	0.20	2.65
(B) Others		
(i) Unsecured, Considered good	91.56	120.69
	91.56	120.69
	91.76	123.34

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 15 Cash and Bank Balances		
(A) Balance with Banks		
(i) Balance in Current account	2.73	27.79
(ii) In Deposit accounts		
- With Maturity after 12 months	0.27	0.24
(iii) Unclaimed dividend accounts	0.36	0.32
(B) Cash on hand	0.05	0.10
	3.41	28.45

Note 16 Short Terms Loans and Advances		
Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	24.61	18.76
Balance with service tax authorities	3.73	3.26
Prepaid Expenses	3.37	2.81
Employee loans and advances	0.53	1.29
Advance to suppliers	0.34	0.01
	32.58	26.13

Note 17 Other Current Assets		
Interest accrued but not due on fixed deposits	0.02	0.03
Unbilled Revenue	1.91	6.46
	1.93	6.49

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note 18 Other Income		
(A) Income from investments		
Dividends	22.33	31.19
Provision for diminution no longer required written back	0.40	-
	22.73	31.19
(B) Others		
Exchange Fluctuation (net)	3.15	7.10
Interest income	0.02	0.75
Profit on Sale of Assets	-	0.24
Profit on Sale of investments	0.15	4.32
Miscellaneous Receipts	0.04	0.04
	3.36	12.45
	26.09	43.64

Note 19 Employee Benefits Expense		
Salaries and wages	227.67	201.75
Contribution to Provident and other funds	14.08	11.85
Staff Welfare Expenses	11.52	7.47
	253.27	221.07

Note 20 Finance Costs		
Interest Expense	35.13	34.49
Other borrowing cost	2.54	1.90
	37.67	36.39

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note 21 Other Expenses		
Rent	21.62	24.06
Travel and conveyance	33.39	25.88
Insurance	0.79	0.81
Rates and Taxes	0.37	0.38
CSR Expenditure	1.24	1.35
Power and Fuel	11.22	11.88
Repairs to Buildings	11.41	10.46
Repairs to Plant	2.74	2.03
Communication Expenses	5.31	4.11
Loss on liquidation of subsidiary	1.41	-
Provision for diminution in value of investment	-	3.01
Bad debts written off	1.45	-
Payment to statutory auditors		
- As Auditors	0.80	0.80
- For Tax Audit	0.28	0.23
- For Certification	0.24	0.29
- For Taxation matters	0.20	0.08
- reimbursement of expenses	0.06	0.08
Legal, Professional and consultancy charges	11.87	12.83
Advertisement, Publicity and Sale Promotion	0.67	0.85
Miscellaneous expenses	2.77	2.19
	107.84	101.32

22. Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
1. Income-tax matters	29.72	29.89
2. Service-tax matters	32.61	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, 2017	As at March 31, 2016
Future obligations for assets taken on lease		
Not later than 1 year	0.77	0.63
Later than 1 year but not later than 5 years	0.94	0.13
	1.71	0.76
Less: Amounts representing future interest		
Not later than 1 year	0.14	0.07
Later than 1 year but not later than 5 years	0.08	-
	0.22	0.07
Present value of minimum lease rentals		
Not later than 1 year	0.63	0.56
Later than 1 year but not later than 5 years	0.86	0.13
	1.49	0.69

c. Earnings in foreign currency

Particulars	As at March 31, 2017	As at March 31, 2016
Income from software services	421.24	399.91
Dividend Income	10.07	9.97

d. Expenditure in foreign currency

Particulars	As at March 31, 2017	As at March 31, 2016
Salaries, Travel and Other expenses	9.22	3.80

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

22. Additional Notes (Continued)

e. 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
Key management personnel	Mr Aditya Krishna- CMD Mr Niraj Kumar Ganeriwal-CFO MrVivekanandanB-Company Secretary, Resigned Mr Muthukrishnan- Company Secretary, Since 12th April 2017
Relatives of Key Managerial Personnel	Ms Kanika Krishna – Director Ms Avantika Krishna – Employee

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

22. Additional Notes (Contd.)

e. Related party disclosures (Contd.)

Transactions entered during the year

Description	Year ended March 31, 2017	Year ended March 31, 2016
Revenues		
Acuma Solutions Limited, United Kingdom	54.47	47.67
Saksoft Inc, USA	303.81	295.85
Saksoft Pte Limited, Singapore	10.59	9.07
Dividend Income		
Saksoft Inc, USA	-	9.97
ThreeSixtyLogica Testing Services Pvt Ltd, India	11.40	20.40
Saksoft Pte,Singapore	10.07	-
Reimbursement of expenses (Net)		
Saksoft Solutions Limited, United Kingdom	2.53	1.01
Acuma Solutions Limited, United Kingdom	0.18	0.02
Saksoft Inc, USA	1.50	2.06
Saksoft Pte Limited, Singapore	0.65	0.57
Sak Industries Pvt Ltd	0.65	0.62
ThreeSixty Logica Testing Services Pvt Ltd	1.99	-
Rent Expense		
Sak Industries Private Limited	6.84	6.84
Dividend paid		
Sak Industries Private Limited	13.66	10.88
Chairman and Managing Director	6.36	5.81
Chief Financial Officer	0.13	0.10
Interest on loan		
Sak Industries Private Limited	21.02	20.47
Borrowings/(Repayment), net		
Sak Industries Private Limited	30.00	-
Investment/(Redemption) made during the year		
Investment in ThreeSixtyLogica Testing Services Pvt Ltd	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	(39.27)	(30.40)

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

22. Additional Notes (Contd.)

e. Related party disclosures (Contd.)

Description	Year ended March 31, 2017	Year ended March 31, 2016
Remuneration		
Chairman and Managing Director	5.40	3.00
Chief Financial Officer	5.36	3.82
Company Secretary	1.30	1.02
Employee remuneration	1.40	1.17
Director Commission	0.41	0.10
Sitting Fees-Director	0.13	0.08
Shares allotted under ESOP (2009 scheme)		
Chief Financial Officer	20,000	10,000
Interest Free Loan		
Chief Financial Officer	(0.50)	0.50

Year end balances

Description	As at March 31, 2017	As at March 31, 2016
Investments		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft GmbH, Germany	-	3.01
Saksoft Solutions Limited, United Kingdom	493.22	532.35
Saksoft FR SARL, France	-	4.26
ThreeSixtyLogica Testing Services Pvt Ltd, India	302.69	206.67
DreamOrbit Softech Pvt Ltd	168.49	-
Receivables		
Acuma Solutions Limited, United Kingdom	16.58	4.20
Saksoft Inc, USA	48.01	75.84
Saksoft Pte Limited, Singapore	0.81	-
ThreeSixty Logica Testing Services Pvt Ltd,India	0.39	-
Loans and advances		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Borrowings		
Sak Industries Private Limited	215.00	185.00
Interest Free Loan		
Chief Financial Officer	-	0.50

22. Additional Notes (Contd.)

f. Segment information

The Company's operations primarily relate to providing information technology ('IT') services. Accordingly, the Company operates in a single segment, which represents the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers.

Geographic location of customers	Year ended March 31, 2017	Year ended March 31, 2016
Revenue		
India	137.90	154.88
United Kingdom	54.47	47.67
USA	303.81	295.85
Singapore	10.59	9.07
	506.77	507.47

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.

g. Gratuity

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Change in Defined Benefit Obligation		
Opening defined benefit obligation	13.12	11.22
Current service cost	2.76	2.54
Interest cost	1.16	1.03
Actuarial losses/ (gain)	(0.43)	(1.15)
Past service cost	-	-
Benefits paid	(2.77)	(0.52)
Closing defined benefit obligation	13.84	13.12
Change in fair value of assets		
Opening fair value of plan assets	8.92	7.01
Expected return on plan assets	0.71	0.57
Actuarial gain/ (losses)	(0.05)	(0.14)
Contribution by Employer	2.00	2.00
Withdrawn by Employer		
Benefits paid	(2.77)	(0.52)
Closing fair value of plan assets	8.81	8.92
Liability recognised in the balance sheet	5.03	4.20

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

22. Additional Notes (Contd.)

g. Gratuity (Contd.)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Expense recognized in the profit and loss account		
Current service cost	2.76	2.54
Interest cost on defined benefit obligation	1.16	1.03
Expected return on plan assets	(0.71)	(0.57)
Net Actuarial losses / (gains) recognised in a year	(0.38)	(1.01)
Part service cost	-	-
Net gratuity cost	2.83	1.99
Actual return on plan assets	0.66	0.43
Assumptions		
Discount rate	7.15%	7.75%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	7%

The plan asset comprise of contribution to group gratuity scheme of insurer managed fund

Experience Adjustments

Particulars	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
Defined Benefit Obligation	10.25	9.57	11.22	13.12	13.84
Plan Assets	3.53	4.78	7.01	8.92	8.81
Surplus/(Deficit)	(6.72)	(4.79)	(4.21)	(4.20)	(5.03)
Exp.Adj.on Plan Liabilities	(2.28)	(0.83)	(1.42)	(1.40)	(1.10)
Exp.Adj.on Plan Assets	(0.16)	(0.10)	(0.04)	(0.14)	(0.05)

h. 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 ₹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 ₹10 each represent shares held by the Trust. During the year no options have been granted under this plan.

22. Additional Notes (Contd.)

h. Employee Stock option plans (Contd.)

The details of options granted under this ESOP 2006 plan are:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Options outstanding at the beginning of the year	37,500	100,000
Options granted during the year	-	-
Options exercised during the year	(10,000)	(12,500)
Options forfeited during the year	-	-
Options lapsed during the year	-	(50,000)
Options outstanding at the end of the year	27,500	37,500

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 2014to 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 2017 is 375,000 options.

During the year the Board of Directors have allotted 60,000 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 ₹44.25 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 1st September 2016 for 30000 shares and on 10th March 2017 for 30,000 shares . The paid up share capital of the Company after allotment of 60,000 equity shares stands at 10,455,000 Equity Shares as of 31st March 2017

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & Subsidiaries, 50,000 options on 27th May 2016 at a grant price of ₹211.15/- and 55,000 options on12th August 2016 at a grant price of 231.65/-.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Options outstanding at the beginning of the year	515,000	250,000
Options granted during the year	105,000	300,000
Options exercised during the year	(60,000)	(35,000)
Options forfeited during the year	-	
Options lapsed during the year	(1,85,000)	-
Options outstanding at the end of the year	3,75,000	515,000

Notes Forming Parts of the Financial Statements for the year ended 31 March 2017

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

22. Additional Notes (Contd.)

i. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings		
Net profit for the year	68.76	104.74
Shares		
Equity shares as at the balance sheet date	10,455,000	10,395,000
Less: Shares held by Saksoft employees welfare trust	532,460	542,460
Total number of equity shares the end of the year – Basic	9,922,540	9,852,540
Weighted average number of equity shares outstanding as at the end of the year – Basic	9,882,924	98,13,783
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year.	9,882,924	98,13,783
Add: Weighted average number of Shares held by Saksoft employees welfare trust	534,022	552,228
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	201,081	166,687
Weighted average number of equity shares outstanding during the year – Diluted	10,618,027	10,532,698
Earnings per share of par value ₹10 – Basic (₹)	6.96	10.67
Earnings per share of par value ₹10 – Diluted (₹)	6.48	9.94

j. 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.

k. Dividend

The Company at its board meeting held on 26th May 2017 has proposed a dividend of 30% (₹3 per equity share of ₹10 face value fully paid up) subject to approval of the shareholders at the AGM to be held on 7th August 2017

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

22. Additional Notes (Contd.)

l. Disclosure on Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the table below

Particulars	SBN	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	43,000	6,374	49,374
(+) Permitted receipts	-	328,747	328,747
(-)Permitted payments	-	320,232	320,232
(-) Amount deposited in banks	43,000	-	43,000
Closing Cash in hand as on 30.12.2016	-	14,889	14,889

m. Prior year figures have been regrouped, wherever necessary, to conform to the current year's classification.

As per our report attached

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAKSOFT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Saksoft Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the 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. While conducting the 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of 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 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 7 subsidiaries, whose financial statements reflect total assets of ₹1902.03 million as

at 31st March, 2017, total revenues of ₹2498.91 million and net cash inflow amounting to ₹73.71 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information 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-sections (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

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls referred to are report in annexure.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note 22 (a) to the financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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.

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 22 (i) to the consolidated financial statements.

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S.Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 26th May, 2017

Annexure A to the Auditors' report of Even Date on the Consolidated Financial Statements of Saksoft Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Saksoft Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company which is a company incorporated in India, are 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 the respective 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 (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my /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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

In our opinion, the Holding Company, its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

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 insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditor of the Company incorporated in India.

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S.Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 26th May, 2017

Consolidated Balance Sheet as at 31 March 2017

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

	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	104.55	103.95
(b) Reserves and Surplus	3	1,214.72	1,185.94
(2) Minority Interest		58.27	28.61
(3) Non-Current Liabilities			
(a) Long Term borrowings	4	410.90	321.23
(b) Deferred Tax Liabilities (Net)	5	13.11	-
(c) Long-Term Provisions	6	21.49	11.43
(4) Current Liabilities			
(a) Short- Term Borrowings	7	8.00	3.19
(b) Trade payables			
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		248.85	257.50
(c) Other Current Liabilities	8	216.12	256.64
(d) Short-Term Provisions	9	42.11	106.82
		2,338.12	2,275.31
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	10	33.68	21.43
(ii) Intangible Assets	11	1,315.56	1,235.78
(b) Non-Current Investments	12	1.10	-
(c) Deferred Tax Assets (Net)	13	16.60	16.66
(d) Long term Loans and advances	14	20.49	12.61
(2) Current Assets			
(a) Current Investments	15	-	27.05
(b) Trade Receivables	16	506.42	496.13
(c) Cash and Bank balances	17	225.28	201.47
(d) Short-Term Loans and advances	18	147.78	195.52
(e) Other Current assets	19	71.21	68.66
		2,338.12	2,275.31

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

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

		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue				
I.	Revenue from Operations			
	Sales of services		2,595.03	2,437.32
II.	Other Income	20	18.40	21.65
III.	Total Revenue		2,613.43	2,458.97
Expenses				
Employee benefits expense		21	1,201.19	1,123.82
Finance Costs		22	45.61	43.20
Depreciation and amortization expense			13.14	10.15
Support / Third party charges			703.83	601.43
Other expenses		23	352.79	350.20
IV.	Total Expenses		2,316.56	2,128.80
V.	Profit before exceptional and extraordinary items		296.87	330.17
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items		296.87	330.17
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (PBT)		296.87	330.17
X.	Tax Expense:			
	(a) Current Tax			
	For the year		84.58	111.57
	For earlier years		(1.64)	-
	(b) Deferred Tax		5.53	0.85
XI.	Profit/ (loss) for the period [Profit After Tax (PAT)]		208.40	217.75
XII.	Minority Interest		29.99	33.08
XIII.	Net Profit		178.41	184.67
XIV.	Earnings per equity share of ₹10 each (in ₹)			
	(1) Basic		18.06	18.82
	(2) Diluted		16.81	17.53

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2017

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

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flows from operating activities		
Profit after tax	178.44	184.67
Adjustments for:		
Tax expense for the year	88.46	112.42
Depreciation and amortisation	13.14	10.16
(Profit) / Loss on sale of fixed assets, net	(0.00)	(0.24)
Provision for bad and doubtful debts (Write Back)	(2.52)	-
Dividend income	(0.86)	(0.82)
Profit on redemption of investments	(0.15)	(4.32)
Bad debts written off	1.45	-
Interest and finance charges	45.61	43.20
Operating profit before working capital changes	323.57	345.07
(Increase) / decrease in sundry debtors	(9.21)	48.00
(Increase) / decrease in other current assets, loans and advances	3.96	(49.45)
Increase / (decrease) in current liabilities and provisions	(40.29)	(15.08)
Increase / (decrease) in Minority interest	29.67	9.49
Cash generated from operations	307.70	338.03
Taxes paid, net	(74.21)	(82.10)
Net cash flows (used in) / from operating activities	233.49	255.93
B. Cash flow from investing activities		
Purchase of fixed assets	(27.79)	(16.05)
Sale of fixed assets	0.84	1.15
Purchase of Investments	(222.10)	(216.72)
Sale of Investments	248.05	189.67
Dividend Income Received	0.86	0.82
Profit on redemption of investments	0.15	4.32
(Increase)/ Decrease on account of goodwill on consolidation	(207.22)	-
Exchange Difference on Translation of Foreign Currency	129.00	(27.85)
Net cash flows (used in) / from investing activities	(78.21)	(64.66)

Consolidated Cash Flow Statement for the year ended 31 March 2017

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

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activites		
Proceeds / (repayment) from borrowings	94.49	(97.72)
Interest and finance charges paid	(45.61)	(43.20)
Proceeds from allotment of shares	2.66	2.02
Dividend and dividend tax paid	(33.67)	(35.47)
Net cash flows (used in) / from financing activities	**17.87**	**(174.37)**
D. Exchange difference on translation of foreign curreny	(149.34)	31.79
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	**23.81**	**48.69**
Cash and cash equivalents at the beginning of the year	201.47	152.78
Cash and cash equivalents at the end of the year	**225.28**	**201.47**

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence, Testing, Digitial, 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. Saksoft Limited and its Subsidiaries ("The Group") provide 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 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%
Step down Subsidiary of Saksoft Inc:		
Nanda Infotech Services Inc (D.B.A Electronic Data Professionals)	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft Solutions Limited	United Kingdom	100%
Step down Subsidiaries of Saksoft Solutions Limited:		
Acuma Solutions Limited	United Kingdom	100%
Acuma Software Limited	United Kingdom	100%
ThreeSixtyLogica Testing Services Pvt Ltd	India	76%
Step down Subsidiary of ThreeSixtyLogica Testing Services Pvt Ltd:		
ThreeSixtyLogica Testing Services Inc	United States of America	100%
DreamOrbit Softech Pvt Ltd	India	60%
Step down Subsidiary of DreamOrbit Softech Pvt Ltd:		
DreamOrbit Inc	United States of America	100%

Note-1: Significant accounting policies

a. Basis of preparation of financial statements

The consolidated financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises Accounting Standards notified by the Central Government of India, other pronouncements of the Institute of Chartered Accountants of India, provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of the India ('SEBI').

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 policies if any of the Company and its subsidiaries are not material.

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

b. Principles of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Companies (Accounts) Rules, 2014.

The financial statements of Saksoft Limited – the parent Company, Saksoft Inc., and its subsidiary Saksoft Pte Ltd, Saksoft Solutions Limited., UK and its subsidiaries and Three Sixty Logica Testing Services Pvt Ltd., and its subsidiary, DreamOrbit Softech Pvt Ltd and its subsidiary 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 Company identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Profit and Loss Account.

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 Parent Company. Minority Interest in the Net assets of the group have been identified and disclosed separately.

In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated using average exchange rates prevailing during the reporting period. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

c. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported 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. Any revision to accounting estimates is recognized prospectively in current and future periods.

d. Property, Plant & Equipment, Capital work-in-progress and depreciation/amortisation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Computer Equipments and Office Equipments is provided on the straight line method over the useful life as prescribed in Schedule II to the Companies Act 2013. In respect of other assets, depreciation is provided over the 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

Individual assets costing ₹5,000/- or less are depreciated at 100% in the year of purchase.

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

Depreciation on leased assets is charged over the period of lease or the life of the asset whichever is lower.

e. Intangible assets and amortization

Intangible assets comprising intellectual property rights and software costs are amortized over a period of 36 and 60 months respectively from the date of acquisition. Self-generated intellectual property rights / software assets are generally not capitalized.

f. 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 the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the lease term or its useful life, whichever is shorter. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and are recorded as expense on a straight line basis over the lease term.

g. Impairment of assets

The Group assesses at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is the higher of an asset's net selling price and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exits, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h. 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 long term investments.

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

- Long term investments are stated at cost and any decline other than temporary in the value of investments is charged to profit and loss account.
- Current investments are stated at the lower of cost and fair value.

i. Foreign currency transactions

Transactions in foreign currencies are recorded at exchange rates that approximate the rate prevailing on the dates of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account.

j. Revenue recognition

Revenue from software services comprises revenue from time and material and fixed price contracts.

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

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

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

Revenue from sale of software 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.

Dividend income is recognized when the Company's right to receive dividend is established.

Interest income is recognized on the time proportionate method.

k. Employee benefits

Provident Fund

Contributions payable to the recognized provident fund which is a defined contribution scheme are charged to the profit and loss account.

Gratuity

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. 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. All actuarial gain/loss are immediately recorded to the profit and loss account and are not deferred. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

Compensated Absences

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.

l. Taxation

Income-tax expense comprises current tax (i.e. 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 timing differences between accounting income

and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

m. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are 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, to the extent the options have been exercised by the employees. 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.

n. Employees stock option schemes

The Company uses the intrinsic value method of accounting for its employee share based compensation plan and other share based arrangements. Under this method compensation expense is recorded over the vesting period of the option, if the fair market value of the underlying stock on the date of the grant exceeds the exercise price.

o. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 or a present obligation that may, but probably will not, require an outflow of resources. 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.

Contingent assets are neither recognised nor disclosed in the financial statements.

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars		As at March 31, 2017	As at March 31, 2016
Note 2 Share Capital			
A)	Authorised, Issued, Subscribed and Paid up Share capital		
	Authorised:		
	20,100,000 Equity Shares of ₹10 each	201.00	201.00
	Issued & Subscribed & Paid-up:		
	10,455,000 Equity Shares of ₹10 each	104.55	103.95
	Total	104.55	103.95
(B)	Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
	Outstanding as at beginning of the year	1,03,95,000	1,03,60,000
	Add: Shares allotted to employees pursuant to ESOP 2009	60,000	35,000
	Outstanding as at the end of the year	1,04,55,000	1,03,95,000

(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, 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
1	Aditya Krishna	21,18,520	20.26%	23,23,070	22.35%
2	Sak Industries Private Limited	45,54,550	43.56%	43,50,000	41.85%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,42,460	5.22%
	Total	72,05,530	68.91%	72,15,530	69.42%

(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	375,000 Options (PY: 515,000 Options)	Employees	ESOP 2009

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 3 Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	86.41	84.74
Add: Additions during the year		
- On issue of Shares	2.06	1.67
Closing balance	88.47	86.41
(C) Other Reserves:		
(i) General Reserve		
Opening Balance	48.93	46.44
Add: Additions during the year		
- Amount transferred from Surplus in Statement of Profit and Loss	-	(2.49)
Closing Balance	48.93	48.93
(ii) Foreign currency translation reserve	(51.48)	97.89
(D) Surplus in Statement of Profit and Loss		
Opening balance	952.50	805.83
Add: Profit for the year	178.41	184.67
Total	1,130.91	990.50
Appropriations :		
- Transfer to General Reserve	-	2.49
- Proposed Dividend - Ref. note no. 24 (i) - Previous year - ₹ 3.00 per Share	-	31.19
- Tax on proposed Dividend	2.32	4.32
Total	2.32	38.00
Net Surplus in Statement of Profit and Loss	1,128.59	952.50
	1,214.72	1,185.94

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars		As at March 31, 2017	As at March 31, 2016
Note 4 Long Term Borrowings			
(A)	**Term Loans**		
	From Banks - Secured		
	RBL Bank Limited	30.00	70.00
	Secured by first 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		
	Repayment Terms:		
	Repayable in 3 equal Quarterly installments commencing from April 2018		
	Rate of interest : 10.25%		
	Period and amount of continuing default: NIL		
	HDFC bank Limited	75.00	-
	Secured by first 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.		
	Repayment Terms:		
	Repayable in 15 Quarterly installments commencing from April, 2018.		
	Rate of interest - 10.20%		
	Period and amount of continuing default: NIL		
	Dropline Overdraft		
	HDFC Bank Limited	25.33	-
	Secured by first 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.		
	Repayment Terms:		
	Repayable in 6 Quarterly installments commencing from May , 2018.		
	Rate of interest - 10.20%		
	Period and amount of continuing default: NIL		
(B)	**Loans and Advances from Related Parties**		
	Unsecured		
	i) From Sak Industries Private Limited	215.00	185.00
	Repayment Terms:		
	The Loan is repayable in full by 30th September 2020.		
	Period and amount of continuing default: NIL		
	ii) From Sak Industries Pte. Limited	64.72	66.10
	Repayment Terms:		
	There is no fixed repayment schedule.		
	Period and amount of continuing default: NIL		
(C)	**Long Term Maturities of Finance Lease Obligations**		
	Secured by hypothecation of cars taken on lease	0.85	0.13
		410.90	321.23

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 5 Deferred Tax Liabilities (Net)		
Arising from timing difference in respect of:		
Recognition of revenue ans expenses	13.11	-
	13.11	-
Note 6 Long Term Provisions		
Provision for Gratuity	21.49	9.75
Rent Straight lining	-	1.68
	21.49	11.43
Note 7 Short Term Borrowings		
Loans Repayable On Demand		
From Banks - Unsecured	-	3.19
Period and amount of default : NIL		
From Others - Unsecured		
From Director of Subsidary	8.00	-
Period and amount of default : NIL		
	8.00	3.19
Note 8 Other Current Liabilities		
Current maturities of long term loans	52.50	40.00
Current maturities of finance lease obligations	0.63	0.55
Interest accrued but not due on borrowings	-	0.82
Income received in advance	138.54	193.66
Unclaimed Dividend	0.36	0.32
Other payables:		
Service tax	3.00	3.15
Tax deducted at source	16.53	15.55
Provident Fund	4.50	2.59
Employee State Insurance	0.06	-
	216.12	256.64
Note 9 Short Term Provisions		
Employee benefits	33.93	42.53
Rent Straight lining	1.65	1.80
Provision for taxation	6.53	31.14
Provision for proposed dividend (including dividend distribution tax)	-	31.35
	42.11	106.82

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Note 10 Property, Plant and Equipment

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
	As at March 31, 2016	Translation/ Consolidation adjustment	Additions during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2016	Translation/ Consolidation adjustment	Additional adjustment during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1. Plant & Machinery												
- General Plant and Machinery												
- Owned	10.36	-	-	-	10.36	10.36	-	-	-	10.36	-	-
2. Furniture & Fittings												
- General Furniture and Fittings	59.86	(3.93)	4.68	35.92	24.68	56.27	(5.37)	0.68	35.92	15.65	9.03	3.59
3. Motor Vehicles												
- Owned	3.48	1.69	-	-	5.17	2.53	-	0.70	-	3.23	1.94	0.95
- Leased	2.83	-	2.59	2.45	2.97	2.19	-	0.90	1.62	1.47	1.50	0.64
4. Electrical Installations and Equipment												
- Owned	10.01	0.05	0.02	-	10.07	7.12	-	0.61	-	7.73	2.34	2.89
5. Computers and data processing units												
- Owned	90.70	15.19	11.70	7.90	109.69	82.79	22.48	6.25	7.89	103.63	6.06	7.91
6. Office equipments												
- Owned	43.85	1.94	2.58	0.20	48.17	38.40	(4.83)	1.98	0.20	35.36	12.81	5.45
Total	221.09	14.94	21.57	46.47	211.11	199.66	12.28	11.12	45.63	177.43	33.68	21.43
Previous year	209.84	2.42	14.68	5.85	221.09	195.21	0.13	9.26	4.94	199.66	21.43	

* - Includes ₹0.49 million recognised in opening balance of retaned earnings as required under Schedule II of Companies Act 2013.

Note 11 Intangible Assets

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
	As at March 31, 2016	Translation/ Consolidation adjustment	Additions during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2016	Translation/ Consolidation adjustment	Additional adjustment during the year	Deductions during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1. Goodwill												
- Goodwill on consolidation	1,232.94	(143.30)	207.22		1,296.86	-	-			-	1,296.86	1,232.94
- Acquired goodwill	4.45	(0.09)			4.35	4.45	(0.09)			4.35	-	-
2. Computer software												
- Acquired	31.21	8.29	6.22	0.28	45.44	28.37	(3.36)	2.02	0.28	26.74	18.70	2.84
3. Intelluctual property rights												
- Acquired	4.50	-			4.50	4.50	-			4.50	-	-
Total	1,273.10	(135.10)	213.44	0.28	1,351.15	37.32	(3.45)	2.02	0.28	35.59	1,315.56	1,235.78
Previous year	1,243.71	28.02	1.37	-	1,273.10	33.99	2.44	0.89	-	37.32	1,235.78	

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 12 Non-Current Investments		
Investment in Equity shares		
Trade - Unquoted		
10-4 Systems. Inc, (30,000 Equity Shares of face value $0.01 each)	1.10	-
	1.10	-

Note 13 Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	1.66	10.82
Retirement Benefits	14.30	4.64
Other tax disallowances	0.64	1.20
	16.60	16.66

Note 14 Long Term Loans and Advances		
(A) Security Deposits		
(i) Unsecured, Considered good	20.22	12.34
(B) Related Party		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	20.49	12.61

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares / units	Cost	No. of shares / units	Cost
Note 15 Current Investments				
Non-Trade-Unquoted				
In liquid Mutual Fund				
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)
Total	-	-	2,69,675	27.05
Aggregate fair value of unquoted investments				
Current year (31 March 2017)				-
Previous year (31 March 2016)				27.05

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016
Note 16 Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	50.69	22.91
(ii) Doubtful	-	6.06
Less: Allowance for bad and doubtful debts	-	(6.06)
	50.69	22.91
(B) Others		
(i) Unsecured, Considered good	455.73	473.22
(ii) Doubtful	8.92	-
Less: Allowance for bad and doubtful debts	(8.92)	-
	455.73	473.22
	506.42	496.13
Note 17 Cash and Bank Balances		
(A) Balance with Banks		
(i) Balance in Current account	222.66	199.72
(ii) In Deposit accounts		
- With Maturity after 12 months	2.24	1.20
(iii) Unclaimed dividend accounts	0.24	0.32
(B) Cash on hand	0.14	0.23
	225.28	201.47
Note 18 Short Terms Loans and Advances		
(A) Loans and Advances to Others		
(i) Unsecured, Considered good		
Tax payment pending adjustments (Net)	12.75	18.87
Service tax	13.87	4.26
Prepaid Expenses	115.41	165.24
Employee loans and advances	3.04	5.80
Advance to suppliers	2.71	1.35
	147.78	195.52
Note 17 Other Current Assets		
Interest accrued but not due on fixed deposits	0.07	0.18
Unbilled Revenue	71.14	68.48
	71.21	68.66

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note 20 Other Income		
(A) Income from investments		
Dividends	0.86	0.82
	0.86	0.82
(B) Others		
Exchange Fluctuation (Net)	5.70	13.83
Interest income	0.99	1.97
Provision for doubtful debts no longer required written back	2.52	-
Profit on Sale of Assets	0.01	0.24
Profit on Sale/ Redemption of investments	0.15	4.32
Service tax refund	6.11	-
Miscellaneous Receipts	2.06	0.47
	17.54	20.83
	18.40	21.65

Note 21 Employee Benefits Expense		
Salaries and wages	1,141.00	1,079.26
Contribution to Provident and other funds	23.77	20.36
Staff Welfare Expenses	36.42	24.20
	1,201.19	1,123.82

Note 22 Finance Costs		
Interest Expense	39.80	38.55
Other borrowing cost	5.81	4.65
	45.61	43.20

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note 23 Other Expenses		
License costs	39.74	68.76
Rent	63.55	69.54
CSR Expenditure	1.24	2.17
Travel and conveyance	85.90	77.00
Insurance	19.58	18.50
Rates and Taxes	6.32	6.89
Power and Fuel	14.33	13.98
Repairs to Buildings	20.47	11.05
Repairs to Plant	4.25	3.47
Loss on liquidation of subsidiary	0.63	-
Communication Expenses	23.09	17.60
Audit fee	8.02	6.18
Legal, Professional and consultancy charges	14.33	6.35
Provision for doubtful debts	1.45	3.79
Advertisement, Publicity and Sale Promotion	26.54	30.64
Miscellaneous expenses	23.35	14.28
	352.79	350.20

24. Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
1. Income-tax matters	29.72	29.89
2. Service-tax matters	32.61	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.

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

24. Additional Notes (Continued)

b. Finance lease obligations

Particulars	As at March 31, 2017	As at March 31, 2016
Future obligations for assets taken on lease		
Not later than 1 year	0.77	0.63
Later than 1 year but not later than 5 years	0.94	0.13
	1.71	0.76
Less: Amounts representing future interest		
Not later than 1 year	0.14	0.07
Later than 1 year but not later than 5 years	0.08	-
	0.22	0.07
Present value of minimum lease rentals		
Not later than 1 year	0.63	0.56
Later than 1 year but not later than 5 years	0.86	0.13
	1.49	0.69

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- CMD Mr Niraj Kumar Ganeriwal-CFO MrVivekanandanB-Company Secretary, Resigned Mr Muthukrishnan- Company Secretary, Since 12th April 2017
Relatives of Key Managerial Personnel	Ms Kanika Krishna – Director Ms Avantika Krishna – Employee

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

24. Additional Notes (Contd.)

c. Related party disclosures (Contd.)

Transactions entered during the year

Description	Year ended March 31, 2017	Year ended March 31, 2016
Rent expense		
Sak Industries Private Limited	13.76	9.24
Dividend paid		
Sak Industries Private Limited	13.66	10.88
Chairman and Managing Director	6.36	5.81
Chief Financial Officer	0.13	0.10
Interest on loan		
Sak Industries Private Limited	21.02	20.47
Sak Industries Pte Limited	3.35	2.66
Borrowings / (Repayments), net		
Sak Industries Pte Ltd	-	66.10
Sak Industries Private Limited	30.00	-
Reimbursement of expenses		
Sak Industries Pvt Ltd	0.65	0.62
Remuneration		
Chairman and Managing Director	5.40	3.00
Chief Financial Officer	5.36	3.82
Company Secretary	1.30	1.02
Employee remuneration	1.40	1.17
Director Commission	0.41	0.10
Sitting Fees – Director	0.13	0.08
Shares allotted under ESOP 2009 scheme		
Chief Financial Officer	20,000	10,000
Interest Free Loan		
Chief Financial Officer	(0.50)	0.50

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

24. Additional Notes (Contd.)

c. Related party disclosures (Contd.)

Year end balances

Description	As at March 31, 2017	As at March 31, 2016
Loans and advances		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Borrowings		
Sak Industries Private Limited	215.00	185.00
Sak Industries Pte Ltd	64.72	66.10

d. Segment information

The Company's operations primarily relate to providing information technology ('IT') services. Accordingly, the Company operates in a single segment, which represents the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers.

Geographic location of customers	Year ended March 31, 2017	Year ended March 31, 2016
Revenue		
India	143.26	154.88
Euroope	884.62	779.18
USA	1490.17	1422.86
Singapore	76.98	80.40
	2595.03	2,437.32

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.

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

24. Additional Notes (Contd.)

e. Gratuity

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Change in Defined Benefit Obligation		
Opening defined benefit obligation	19.50	15.41
Consolidation adjustment	7.89	-
Current service cost	7.98	3.71
Interest cost	2.37	1.43
Actuarial losses/ (gain)	(1.22)	(0.48)
Past service cost	-	-
Benefits paid	(4.94)	(0.57)
Closing defined benefit obligation	31.58	19.50
Change in fair value of assets		
Opening fair value of plan assets	8.93	7.01
Expected return on plan assets	0.71	0.57
Actuarial gain/ (losses)	(0.05)	(0.14)
Contribution by Employers	4.17	2.06
Withdrawn by Employer		
Benefits paid	(4.94)	(0.57)
Closing fair value of plan assets	8.82	8.93
Liability recognised in the balance sheet	22.77	10.57
Expense recognized in the profit and loss account		
Current service cost	*7.99*	*3.71*
Interest cost on defined benefit obligation	*2.36*	*1.43*
Expected return on plan assets	*(0.71)*	*(0.57)*
Net Actuarial losses / (gains) recognised in a year	*(1.17)*	*(0.34)*
Part service cost	-	-
Net gratuity cost	*8.47*	*4.23*
Actual return on plan assets	*0.66*	*0.43*
Assumptions		
Discount rate	*7.15%*	*7.75%*
Expected rate of return on assets	*7.50%*	*7.50%*
Salary escalation	*7%*	*7%*

The plan asset comprise of contribution to group gratuity scheme of insurer managed fund

24. Additional Notes (Contd.)

e. Gratuity (Contd.)

Experience Adjustments

Particulars	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
Defined Benefit Obligation	10.25	9.57	15.41	19.50	31.58
Plan Assets	3.53	4.78	7.01	8.93	8.82
Surplus/(Deficit)	(6.72)	(4.79)	(8.40)	(10.57)	(22.77)
Exp.Adj.on Plan Liabilities	(2.28)	(0.83)	(1.93)	(0.85)	(0.43)
Exp.Adj.on Plan Assets	(0.16)	(0.10)	(0.04)	(0.14)	(0.05)

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 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 ₹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 ₹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, 2017	Year ended March 31, 2016
Options outstanding at the beginning of the year	37,500	100,000
Options granted during the year	-	-
Options exercised during the year	(10,000)	(12,500)
Options forfeited during the year	-	-
Options lapsed during the year	-	(50,000)
Options outstanding at the end of the year	27,500	37,500

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

24. Additional Notes (Contd.)

f. Employee Stock option plans ('ESOP') (Contd.)

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 2014to 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 2017 is 375,000 options.

During the year the Board of Directors have allotted 60,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at a grant price of ₹44.25 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 1st September 2016 for 30,000 shares and on 10th March 2017 for 30,000 shares. The paid up share capital of the Company after allotment of 60,000 equity shares stands at 10,455,000 Equity Shares as of 31st March 2017

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & Subsidiaries, 50,000 options on 27th May 2016 at a grant price of ₹211.15/- and 55,000 options on12th August 2016 at a grant price of 231.65/-.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Options outstanding at the beginning of the year	515,000	250,000
Options granted during the year	105,000	300,000
Options exercised during the year	(60,000)	(35,000)
Options forfeited during the year	-	
Options lapsed during the year	(1,85,000)	-
Options outstanding at the end of the year	3,75,000	515,000

24. Additional Notes (Contd.)

g. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings		
Net profit for the year	178.44	184.67
Shares		
Equity shares as at the balance sheet date	10,455,000	10,395,000
Less: Shares held by Saksoft employees welfare trust	532,460	542,460
Total number of equity shares the end of the year – Basic	9,922,540	9,852,540
Weighted average number of equity shares outstanding as at the end of the year – Basic	9,882,924	98,13,783
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year.	9,882,924	98,13,783
Add: Weighted average number of Shares held by Saksoft employees welfare trust	534,022	552,228
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	201,081	166,687
Weighted average number of equity shares outstanding during the year – Diluted	10,618,027	10,532,698
Earnings per share of par value ₹10 – Basic (₹)	18.06	18.82
Earnings per share of par value ₹10 – Diluted (₹)	16.81	17.53

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.

i. Dividend

The Company at its board meeting held on 26th May 2017 has proposed a dividend of 30% (₹3 per equity share of ₹10 face value fully paid up) subject to approval of the shareholders at the AGM to be held on 7th August 2017

j. Disclosure on Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the table below

Particulars	SBN	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	99,000	59,820	158,820
(+) Permitted receipts	0	581,747	581,747
(-)Permitted payments	12,000	498,350	510,3502
(-) Amount deposited in banks	87,000	0	87,000
Closing Cash in hand as on 30.12.2016	0	143,217	143,217

Notes Forming Parts of the Consolidated Financial Statements for the year ended 31 March 2017

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

24. Additional Notes (Contd.)

k. Additional information required as per Part 2 of Schedule III of Companies Act, 2013

Name of Entity	Net Assets ie Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent: Saksoft Limited	57%	647.46	27%	47.68
Subsidiaries				
Indian				
1.ThreeSixtyLogica Testing Services Pvt Ltd and its subsidiary	4%	53.26	22%	39.55
2.DreamOrbit Softech Pvt Ltd and its subsidiary	1%	14.98	9%	15.64
Foreign				
1.Saksoft Inc and its subsidiary	12%	164.28	15%	27.46
2.Saksoft Pte	4%	53.63	4%	7.63
4.Saksoft Solutions Ltd and its subsidiaries	26%	339.17	23%	40.47
Minority Interest in all Subsidiaries				
1.ThreeSixtyLogica Testing Services Pvt Ltd and its subsidiary		23.80		14.19
2. DreamOrbit Softech Pvt Ltd and its subsidiary		34.40		10.43

l. Prior year figures have been regrouped, wherever necessary, to conform to the current year's classification.

As per our report attached

For Suri & Co
Chartered Accountants
Firm Registration No: 004283S

S. Ganesan
Partner
Membership No: 018525
Date : May 26 , 2017
Place : Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

Ajit Thomas
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Muthukrishnan
Company Secretary

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 million)

Part-A: Subsidiaries

S.No.		1	2	3	4	5
1	Name of the Subsidiary	Saksoft Inc & its subsidiary	Saksoft Pte Ltd	Saksoft Solutions Ltd and its subsidiaries	Three Sixty Logica Testing Services Pvt Ltd & its subsidiary	DreamOrbit Softech Private Limited & its subsidiary
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 64.72/ USD	SGD, Ex Rate 46.31/ SGD	GBP, Ex Rate 80.82/ GBP	INR	INR
4	Share Capital	INR 9.24 m-195000 equity shares of USD 1 each fully paid up	INR 19.17m- 555002 equity shares of SGD 1 each fully paid up	INR 434.45 mn-5001000 equity shares of GBP 1 each fully paid up INR 58.77mn- 676015 - 5% Cumulative Redeemable 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	146.89	35.12	429.73	99.26	85.92
6	Total Assets	398.12	67.41	1156.61	129.03	150.87
7	Total Liabilities	224.82	4.28	326.20	29.66	65.91
8	Investments	-	-	-	-	1.10
9	Turnover	1075.41	76.98	884.62	328.33	133.57
10	Profit Before Taxation	43.45	7.96	42.07	90.04	38.20
11	Provision for Taxation	15.99	0.32	2.87	30.93	12.13
12	Profit After Taxation	27.46	7.63	39.20	59.11	26.07
13	Interim Dividend + Tax	-	-	-	18.05	-
14	Proposed Dividend	-	-	-	-	-
15	% of Shareholding	100.00	100.00	100.00	76.00	60.00

Notes

Subsidiaries which are yet to commence opeartions: None

Subsidiaries which have been liquidated during the year: Saksoft GmbH

Saksoft FR SARL

SAKSOFT
your digital transformation partner

SAKSOFT LIMITED
CIN: L72200TN19999PLC054429
Regd office: SP Infocity, Block A, 2nd floor, #40, Dr MGR Salai, Kandanchavadi, Perungudi, Chennai – 600 096
Email Id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in
website www.saksoft.com; Phone : 044 – 24543500;Fax: 044 - 24543510

Notice to the Shareholders

NOTICE is hereby given that the Eighteenth Annual General Meeting (AGM) of the members of the Company will be held on Monday, the 7th day of August, 2017 at 11.00 A.M at P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company and Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor for the year ended March 31, 2017 by passing the following as an ordinary resolution:

   "**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2017 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted."

2. **To declare Dividend by passing the following as an Ordinary resolution:**

   "**RESOLVED THAT** pursuant to the recommendation of the Board of Directors a Dividend of ₹3/- per equity share (30%) of ₹10/- each be and is hereby declared out of the profits for the year ended 31st March, 2017 and the same be paid;

   i. in respect of shares held in physical form, to those members whose names appear on the register of members on 07th August, 2017

   ii. in respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository limited (NSDL) and Central Depository Services (India) Limited (CDSL), the depositories as at close of business hours on 31st July, 2017.

3. **To appoint a Director in the place of Ms. Kanika Krishna (DIN: 06954593) who retires by rotation, and being eligible, offers herself for re-appointment by passing the following as an ordinary resolution:**

   "**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder and the Articles of Association of the Company, Ms. Kanika Krishna (DIN: 06954593), a Director retiring by rotation being eligible and offering for re-election, be and is hereby re-appointed as a Director of the Company."

4. **To appoint Statutory Auditors of the Company and fix their remuneration by passing the following resolution as an ordinary resolution:**

   "**RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors , the appointment of M/s. R.G.N.

Price & Co., Chartered Accountants (Firm Registration No. 0042785S), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2021-22 be and is hereby approved subject to ratification at every annual general meeting and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors."

By order of the Board of Directors
For Saksoft Limited

Date: 26th May, 2017
Place: Chennai

S.Muthukrishnan
Company Secretary

Notes:

1. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume/ details of the Director being appointed, re-appointed is given in "Annexure 1"

2. Proxy

2.1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGREEGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2.2 PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY VIZ. CAMEO CORPORATE SERVICES LIMITED , "SUBRAMANIAM BUILDING" No.1, CLUB HOUSE ROAD, CHENNAI 600 002 AT LEAST FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.

2.3 PROXIES SUBMITTED ON BEHALF OF COMPANIES, TRUST/ SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY AS APPLICABLE. THE PROXY HOLDER SHALL PROVE HIS/HER IDENTITY AT THE TIME OF ATTENDING THE MEETING.

2.4 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

3. Members/Proxies/authorized representatives should bring the duly filled Attendance slip enclosed herewith to attend the meeting.

4. Voting through electronic means

4.1 In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing obligations and disclosure requirements) Regulation, 2015 ("LODR"), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository

Limited (NSDL).

4.2 The detailed process and manner for e-voting by electronic means is furnished as Annexure-2 to the Notice.

4.3 The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

4.4 The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

4.5 The remote e-voting period commences on 04th August, 2017 (9:00 am) and ends on 6th August, 2017 (5:00pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st July, 2017 , may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

4.6 The cutoff date is 31st July, 2017 as on which the right of the voting of members shall be reckoned and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

5. Voting Results

5.1 Mr. V. Suresh, Practising Company Secretary, (CP No.6032) has been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

5.2 The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

5.3 The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

5.4 The Voting results will be submitted to The National Stock Exchange of India Limited (NSE) and BSE Limited(BSE) within 48 hours of conclusion of the AGM in the format specified by SEBI.

5.5 The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.saksoft.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing.

6. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from 31st July, 2017 to 7th August, 2017 (both days inclusive) in connection with AGM & payment of dividend.

7. Members holding Shares in electronic form may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective depositories to the Company will be printed on the dividend warrants issued from time to time. The Company/ the Registrar will not entertain any direct request from members for deletion of or change in such bank details. It may please be noted that, dividend instructions, if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions directly to their Depository Participants regarding bank accounts for crediting the dividend.

8. Members are requested to address all correspondence, including dividend- related correspondence, to the Registrar and Share transfer agent, Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600 002 or through email : investor@cameoindia.com

9. Members holding shares in physical form are requested to immediately notify change in their address to the Company's Share Transfer Agents, Cameo Corporate Services Limited, "Subramanian Building" No.1, Club

House Road, Chennai 600 002 and those who wish to receive dividend in electronic mode are requested to forward a specimen cheque leaf duly marked as such to Registrar at the above address.

10. Under Section 205A of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has accordingly transferred ₹38,691/- (Rupees Thirty Eight Thousand Six hundred and ninety one only) being the unpaid and unclaimed dividend amount pertaining to the year 2008-09 to IEPF on 21st April 2017. As per the above regulations no claim shall lie against the Company or the IEPF in relation to the amount remitted to IEPF.

    Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), came into with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed/unpaid dividend, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF.

    The details of unpaid dividend relating to the years 2008-09 to 2015-16 as on 12th August, 2016 being the date of the last AGM is available on the website of the Company http://www.saksoft.com/company/investor-relations/

    Dividend for the year 2009-10 remaining unclaimed and unpaid will be transferred to IEPF during the end of month of August or in the first week of September 2017. Shareholders who are yet to encash their dividend warrants are required to contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited at an early date and lodge their claims.

    As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

    In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Shareholders can file only one consolidated claim in a financial year as per the IEPF Rules.

11. Member(s) must quote their Folio number/DP ID & Client ID and contact details such as email address, contact no. etc., in all correspondences with the Company / Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.

13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

14. Pursuant to the Provisions of Section 72 of the Companies Act, 2013 the Member(s) holding shares in Physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.

15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for consolidation into a single folio.

16. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2017 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to complianceofficer@saksoft.co.in/ investor@cameoindia.com. Accordingly, the Company shall update its database by incorporating/ updating the designated e-mail addresses in its records. Please note that the said documents will also be uploaded on the website of the Company at www.saksoft.com and made available for inspection at the Registered Office of the Company during business hours of the Company.

17. For members who have not registered their email addresses, Physical copies of the Annual Report 2016-17 are being sent by the permitted mode.

18. Guidelines for attending the Eighteenth Annual General meeting (AGM) of the Company.

    a) Members/ proxies are requested to affix their signature at the space provided in the attendance slip and handover the same at the entrance of the venue of the Eighteenth AGM.

    b) Corporate Member(s) intending to send their authorized representatives to attend are requested to send a certified copy of Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.

    c) Member(s) are requested to bring the copy/notes of the Annual report to the AGM.

    d) The identity/signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the Depository Participant (DP ID), account number (Client ID) and the relevant identity card to the AGM for easier identification and recording of attendance at the AGM.

    e) Shareholder seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the management to reply.

19. All documents as mentioned in the resolutions and/or Explanatory Statement including Auditors' Report and Secretarial Auditors' report are available for inspection by the Members at the Registered Office of the Company from 10.30 AM to 12.00 noon on any working day and will also be made available at the venue of the Eighteenth AGM.

20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

21. The Register of contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

22. Any Member(s) who require any special assistance of any kind at the venue of the Eighteenth AGM are requested to send details of their special needs in writing to the Company at least three days before the date of the Eighteenth AGM.

"ANNEXURE 1"

In terms Regulation 36(3)of LODR, a brief resume of the Directors who are proposed to be appointed/ reappointed at this AGM are given below:

Name of the Director	Ms. Kanika Krishna DIN: 06954593
Date of Birth	10.12.1987
Date of Appointment	26.09.2014
Qualifications	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.
Expertise in specific functional area	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. She has demonstrated a quick understanding of the business and good leadership in her role with the Company. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.
Directorship in other Listed Companies	Nil
Chairman/ Member of the Committees of the Boards of which she is a Director	She is a member of CSR Committee of Saksoft Limited.
No of shares held in the Company	Nil
Inter- se relationship with any Director	Ms. Kanika Krishna is the daughter of Mr. Aditya Krishna, Promoter and Managing Director of the Company.

"ANNEXURE 2"

The process and manner for e-voting by electronic means are as under:

1. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

   (i) Open email and open PDF file viz; "remote e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-voting, then you can use your existing user ID & password.

   (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

   (iii) Click on Shareholder – Login

   (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

   (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "SAKSOFT LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vsscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

2. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

   (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

   EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

   (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222- 990.

4. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990. In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client-ID). In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No.)

5. The Members can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 3st July, 2017

7. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3st July, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@cameoindia.com

8. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM

9. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

10. Mr. S. Muthukrishnan, Company Secretary of the Company will be the person responsible to address the grievances connected with the voting by electronic means. His contact particulars are as follows: email id complianceofficer@saksoft.co.in; Ph : +91-44-2454 3500 or write to the Company's registered office address.

SAKSOFT LIMITED

CIN: L72200TN19999PLC054429
Regd office: SP Infocity, Block A, 2nd floor, #40, Dr MGR Salai, Kandanchavadi, Perungudi, Chennai – 600 096
Email Id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in
website www.saksoft.com; Phone : 044 – 24543500;Fax: 044 - 24543510

Attendance slip

18th Annual General Meeting to be held on Monday, 07th August, 2017 at 11 AM

P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017

Mr./Mrs./Miss.....

Address.....

Folio No. (Physical holding).....

DP ID (Demat holding)..... Client ID.....

No. of shares held.....

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 18th Annual General Meeting (AGM) of the Company on Monday, 07th August, 2017, at 11 A.M P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017 any adjournment thereof.

[Signature of Shareholders/Proxy(s)] .....

Notes:

1. Shareholder/proxy holder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after affixing their signatures on them.
2. Members are requested to bring their copies of the Annual report to the AGM.
3. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the office of the Registrar and Share transfer agent of the Company Viz. Cameo Corporate Services Limited, "Subramaniam Building", No. 1, Club House Road, Chennai-600 002 at least 48 hours before the Meeting.

ELECTRONIC VOTING (e-voting) PARTICULARS
(Please refer AGM Notice for instructions on e-voting)

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

The e-voting facility will be available during the following period:	
Commencement of e-voting	End of e-Voting
Date : 04th August, 2017 ; Time: 9.00 A.M	Date:6th August, 2017; Time: 05.00 P.M

Route Map of the AGM Venue

SAKSOFT LIMITED

CIN: L72200TN19999PLC054429
Regd office: SP Infocity, Block A, 2nd floor, #40, Dr MGR Salai, Kandanchavadi, Perungudi, Chennai – 600 096
Email Id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in
website www.saksoft.com; Phone : 044 – 24543500;Fax: 044 - 24543510

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):

Registered Address:

E-mail ID:

Folio No./ Client Id & DP. ID:

I/We being the Member(s) of ..... shares of the above named Company, hereby appoint

1. Name : ..... Address: .....
   E-mail ID : ..... Signature: ....., or failing him

2. Name : ..... Address: .....
   E-mail ID : ..... Signature: ....., or failing him

3. Name : ..... Address: .....
   E-mail ID : ..... Signature: ....., or failing him

as my/ our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, the 07th August, 2017 at 11 AM at P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	Assent	Dissent
1	Adoption of Audited Standalone and Consolidated Financial Statements		
2	Declaration of Dividend		
3	Re- Appointment of Ms. Kanika Krishna as Director to retire by rotation		
4	Appointment of M/s. R.G.N. Price & Co., as Statutory Auditors of the Company		

Signed this _____day of _____2017.

Signature of shareholder(s)

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the office of the Registrar and Share transfer Agent of the Company Viz. Cameo Corporate Services Limited, "Subramaniam Building", No. 1, Club House Road, Chennai-600 002 at least 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. For the resolutions, explanatory statement and notes, please refer to the Notice of the Annual general meeting.
4. It is optional to indicate your voting preference. If you leave the Assent/dissent column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Notes

Notes

SAKSOFT

your digital transformation partner