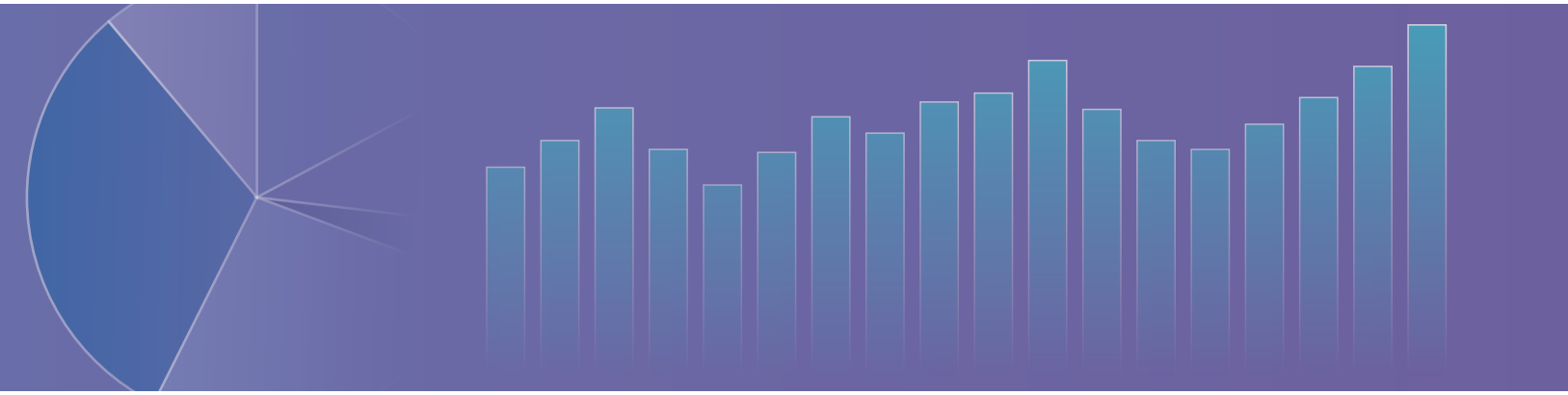
SAKSOFT

Information Management Specialist



Annual Report

2012-13

OUR MOTTO:-

Saksoft is your trusted partner for Information Management; we deliver success.

OUR VISION:-

The Preferred Information Management partner to successful companies around the globe.

CONTENTS

Corporate Information 3
Letter to the Shareholders..... 6
Board of Directors 7
Geographic Presence..... 9
Consolidated Financial Highlights - Last 5 Years 10
Five Year Financial s (Group) 11
Notice to the Shareholders 12
Directors' Report 16
Report on Corporate Governance 26
Management Discussion and Analysis Report..... 36
Risk Management..... 47
Auditors' Certificate on Corporate Governance 50
Auditors' Report 51
Balance Sheet..... 54
Profit and Loss Account..... 55
Cash Flow Statement..... 56
Notes forming part of the Financial Statements 58
Consolidated Financial Statements 77

FORWARD - LOOKING STATEMENT

The Management Discussion and Analysis Report section of Annual Report contains certain forward looking statements in that may lead to risks and uncertainties. The usage of words like "anticipate", "believe", "estimate", "intend", "will" and "expect" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman (Non-Executive)
Autar Krishna

Independent Non-Executive Directors
R. Rajagopalan
Amitava Mukherjee
Ajit Thomas

Managing Director
Aditya Krishna

EXECUTIVE COMMITTEE

Managing Director
Aditya Krishna
Chief Financial Officer
Niraj Kumar Ganeriwal
Global Head of HR
Annu Thomas
Executive Vice President
Sampath Rengachari
Delivery Head - India
Dhiraj Mangla
Commercial Director
Nick Sullivan
Director - Consulting Services
Jonathan Eeley

COMPANY SECRETARY & COMPLIANCE OFFICER

S. Narayan

WEBSITE

www.saksoft.com
www.acuma.co.uk
www.edprof.com

EMAIL

info@saksoft.com

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
Citibank N.A, Chennai
Deutsche Bank., Chennai
State Bank of India, Chennai

REGISTERED AND CORPORATE OFFICE

SP Infocity,
Module 1, 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 Investments Pvt Limited, UK
Saksoft GmbH., Germany
Acuma Solutions Limited, UK
Electronic Data Professionals, USA
Synetairos Technologies Ltd, India

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
Module 1, 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,
(Near Moserbaer),
Noida - 201305.
Phone : + 91 120 2462 175
Fax : + 91 120 2462 179

Manchester
Waterside Court,
1 Crewe Road, Manchester,
M23 9BE.
Phone: +44 870 789 4321
Fax : +44 -870 789 4002

CORPORATE INFORMATION

Founded: 24 November 1999

Organizational Structure:

- Saksoft is headquartered in Chennai, India.
- Three global development centers at Chennai (India), Noida (India) and Manchester (UK),
- International sales offices in London, Manchester, New Jersey, Chicago, Pennyslvania, Singapore and India
- Listed on the National Stock Exchange of India and the Bombay Stock Exchange.

Philosophy:

In the present scenario dealing with voluminous data has remained a formidable challenge for many enterprises and it is here we deliver success to enterprises by helping them to consolidate, organize and manage huge volumes of data. Working with data sources that are often disparate and complex, we provide accurate, high quality, relevant information readily available to the people who need it. By being better informed, they are empowered to make key decisions and implement strategies for making the enterprise successful. Based on the above philosophy we have tailored our offerings as detailed below to suit the requirements of the enterprise.

Our Offerings:

Strategy

- IM Strategy, assessment, Governance and Transformation
- Design & Architecture
- Data Quality Management
- Master Data Management
- Meta Data Management
- Knowledge Management
- Resource Provisioning

Solutions

- Prima (Loyalty Management)
- Veri-Sens (Analytics)
- Acusend (Information Distribution),
- Warehouse Seeker (Testing)
- De-dupe (Duplication avoidance)
- Merchant Management Solution
- Portfolio Performance Management

Services

- DWH Build & Implementation
- Tools Migration & Re-Engineering
- Data Migration
- Testing and Quality Assurance
- DWH Support Services
- Outsourced Centres of Excellence
- Customer Analytics Services
- Application Management
- Data Quality

Industry experience includes:

Financial Services - Banking & Insurance, Telecom, Public Sector, Central Government, Retail - FMCG/CPG, Life Sciences, Hospitality, Travel and Leisure, Utilities.

Technology partners include:

IBM, SAP, Microsoft, Oracle, Jaspersoft, Birst, Qliktech

CORPORATE INFORMATION

Saksoft is an Information Management Specialist. Acuma, Saksoft's wholly owned subsidiary is among the top Information Management companies in the UK. Our solutions are a combination of domain knowledge and technical expertise. We build solutions that follow the best industry practices and deliver IT solutions that enhance your business value. Our services and products are modelled to aid corporates in identifying their pain points and providing solutions which will use available information to improve processes, maximize profitability and manage risk better.

Fast Facts

Multiple offshore centers seating capacity: 250+ in Chennai (India) and 750+ in Noida (India) and 50+ in Manchester (UK). We have a global presence with sales offices in New Jersey, Chicago, Singapore, London, Manchester, Chennai, Mumbai and Noida. Established in 2000 the Company has been profitable in every year of its operation. The following are the offerings of the Company:

Dedupe SYSTEM

Saksoft provides you with a duplication system designed to suit the requirements of the BSFI industry. Saksoft Dedupe System presents consolidated, non – redundant and accurate customer data, which provides you with extra capability and reduces your time to market. It helps you improve the accuracy of your customer data through a combination of matching techniques, algorithms and phonetics.

acusend™

Acusend is an information scheduling and distribution engine product, which ensures that information is distributed whilst maintaining the highest level of security. It is also capable of generating personalized content dynamically from a variety of inputs and delivers the same in a variety of output format (Word, Excel, PDF, XML, CSV)

Prima

Prima is a comprehensive Loyalty and Rewards Management System, which allows you to set up and manage multiple accruals, redemption programs and handle multiple marketing partners effectively. Prima has the flexibility to define cross partner programs and can be perfectly aligned with your marketing strategies.

Veri-sens
Information. Integration. Intelligence

Verisens is a ready-to-go comprehensive Business Intelligence solution (pre built reports and dashboards) for retail banking organizations that encompasses retail banking asset products ranging from credit cards to consumer finance. It is based on a proven solution framework (with Key Performance Indicators (KPI) that has been successfully implemented in some of the leading global retail banks across the world. It allows users to connect strategic and operational goals that evaluate, monitors and improve transparencies in the business.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Your company reported a strong growth in revenues at 29.47% and 55.41% in profit for FY 2012-13. The outlook for next few years looks promising and your company is focused on meeting its growth aspirations. The credit for this excellent performance should go to all our employees who put in their best efforts to meet client requirements. Add to this, we have had creditable successes in our new offerings in Enterprise Mobility, Deployment Testing for e-commerce portals and in Enterprise Analytics.

A distinguishing aspect of your company for FY 2012-13 was our ability to quickly align to "Being Local" in each of the markets we operate while retaining the "Information Management Specialist" core. In the US, we focussed on gaining traction in Retail, Travel and Logistics and Distribution Markets with competencies in Business Objects and QlikView. In the UK, we cemented our image as the Preferred Partner for SAP in all its IM offerings including SAP Mobility offerings.

Your company's top 5 clients continue to repose their faith in Saksoft's offerings and our business with each of the clients grew substantially. It is our stated intent to keep their faith and provide them outstanding support as usual. We are also constantly innovating our delivery methods with our key clients to ensure that they get the benefit of new technologies and current innovations at Saksoft.

Three key offerings will propel your company into the next tier in the IT industry; Enterprise Analytics which allows our clients to navigate the journey from the "What" of decision making to 'Now What". The second offering would be third party testing which will provide for clients to have quicker "Go to Market" for their products and applications. Lastly, our Enterprise Mobility offering will enable our clients to access corporate information on their smart devices, ensuring faster and smarter decision making.

As a precursor to good future tidings and to thank our shareholders for their faith, we are proposing a 20% dividend for FY 2012-13. We are grateful to your support and guidance in taking the company to new highs.

For 2013-14, we will endeavour to meet our goals and position the company as the Preferred Information and Application Management provider to successful companies around the globe.

Thank you.

Autar Krishna
Chairman

BOARD OF DIRECTORS

Autar Krishna

Chairman

Autar Krishna is the founder promoter of Saksoft Ltd, and promoted The Sak Industries Ltd (TSIL) in 1962. Mr. Autar Krishna and TSIL promoted Widia (India) Limited, a joint venture with Meturit A.G.Switzerland, a subsidiary of Friedrich Krupp GmbH, for which Mr. Krishna was the Chairman 1986 to 2002. He is currently the Chairman of Banarsidas Chandiwala Sewa Smarak Trust Society and the Chairman of the Audit Committee of India Glycols Limited. He also serves as Director of Sak Abrasives Limited.

Aditya Krishna

Managing Director

Aditya Krishna, the Founder and the Managing Director of the Saksoft Group, spearheads Saksoft's growth across domains and geographies. He brings with him over 28 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. Aditya was instrumental in developing City Bank's in-house software to run their credit card operations.

R. Rajagopalan

Independent Non-Executive Director

Mr. R. Rajagopalan, is a fellow member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. In a career spanning over 35 years, Mr. R. Rajagopalan has served on the Board of several Companies in sectors like Financial Services, Textiles, Engineering and Software. He has authored a book on "Directors and Corporate Governance" in September 2003 which focussed on wide range of Director's responsibilities towards Corporate Governance and functioning of Corporate Management. Mr. R. Rajagopalan also held prestigious positions such as the National President of the Institute of Company Secretaries of India in 1979-1980, President of Employer's Federation Of South India in 1992-1993 besides being an active elected member of Southern Region of C.I.I for 12 years. He is presently on the Board of MRO-TEK Ltd, GTN Textiles Ltd and Patspin India Ltd. He is also the Chairman of the Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company.

BOARD OF DIRECTORS

Amitava Mukherjee

Independent Non-Executive Director

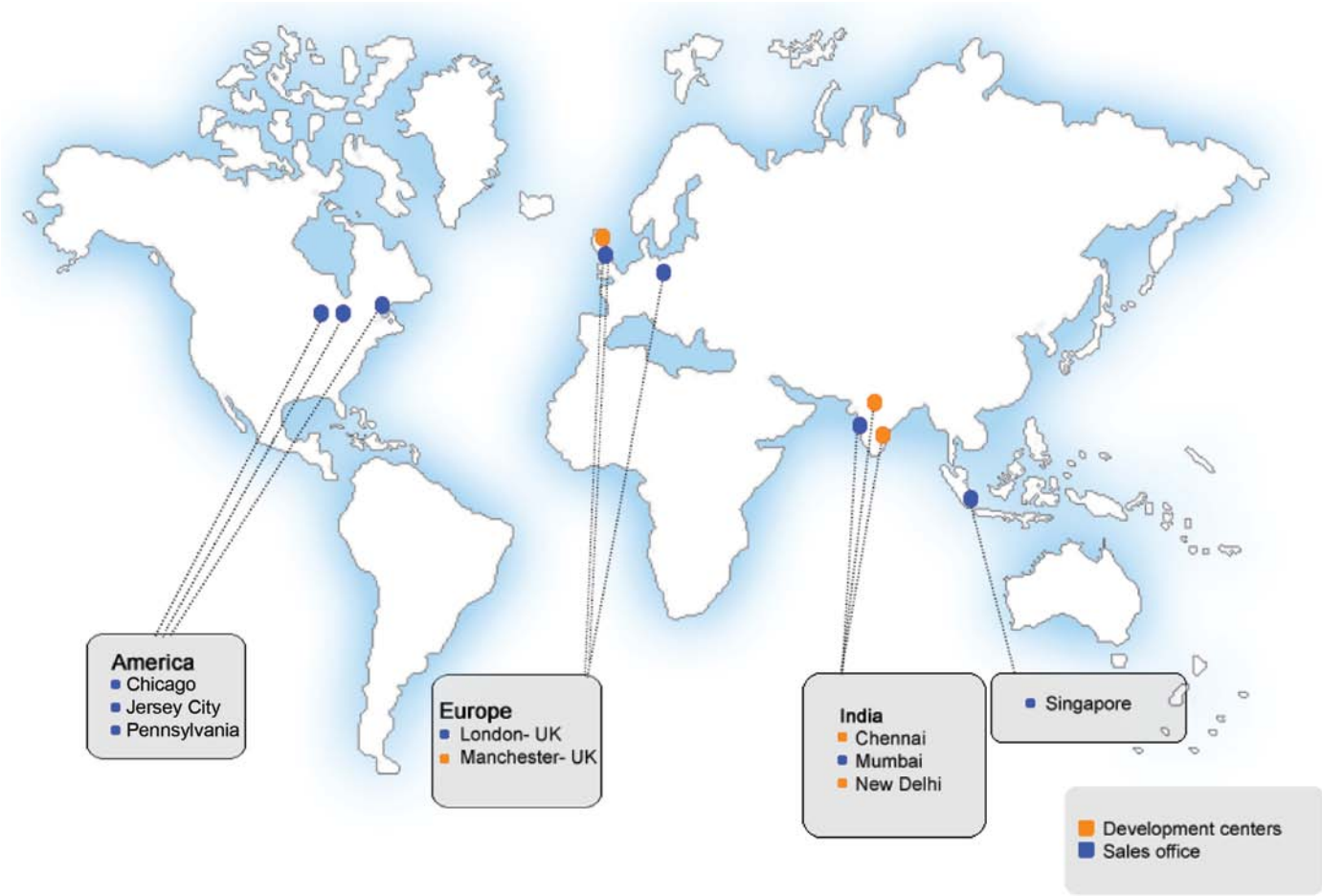
Amitava Mukherjee has been a director of our company since 2003. He is an independent Director of our company and also a member of the audit and remuneration committees. He pursued his Masters in Management studies from Asian Institute of Management, Manila, also a masters in Business Economics from Delhi School of Economics, New Delhi. He has rich and varied experience in investment banking having been involved with several transactions on behalf of large Indian Corporate houses and Multinationals. He has served as Managing Director and Board Member both at Lazard India and Ambit Corporate Finance.

Ajit Thomas

Independent Non-Executive Director

Ajit Thomas is a renowned Industrialist, the promoter and Chairman of AVT Natural Products Ltd. He is associated with AVT Group of Companies for about three decades and has extensive experience and expertise in business and management. He holds a Bachelor's degree in Statistics. He is also on the board of Neelamalai Agro Industries Ltd, The Nellaimpathy Tea & Produce, The Midland Rubber & Produce Co Ltd, AVT Natural Products Ltd, Midland Latex Products Ltd, A. V. Thomas & Company Limited, A. V. Thomas Exports Ltd, A.V.Thomas Investments Co Ltd and L.J.International Ltd

GEOGRAPHIC PRESENCE

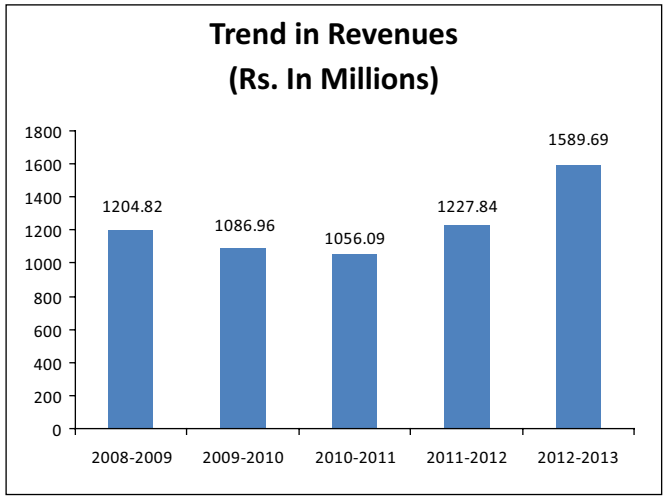


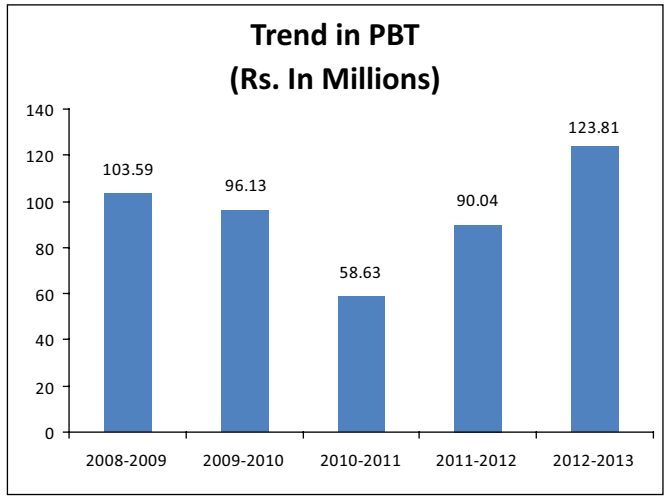
CONSOLIDATED FINANCIAL HIGHLIGHTS – LAST 5 YEARS

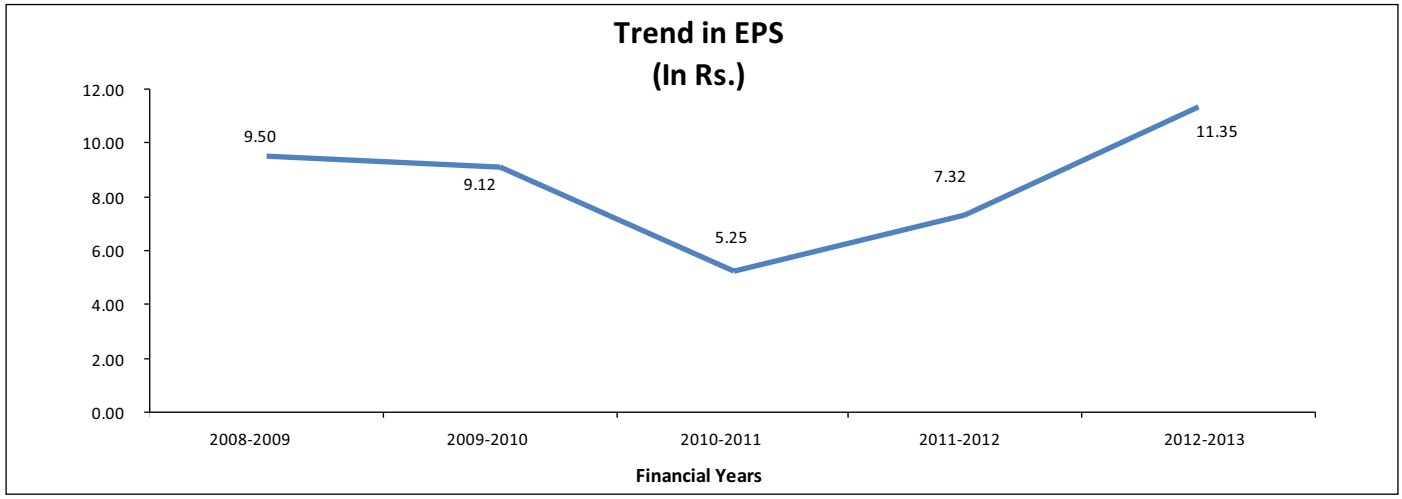
(Rs.in Millions)

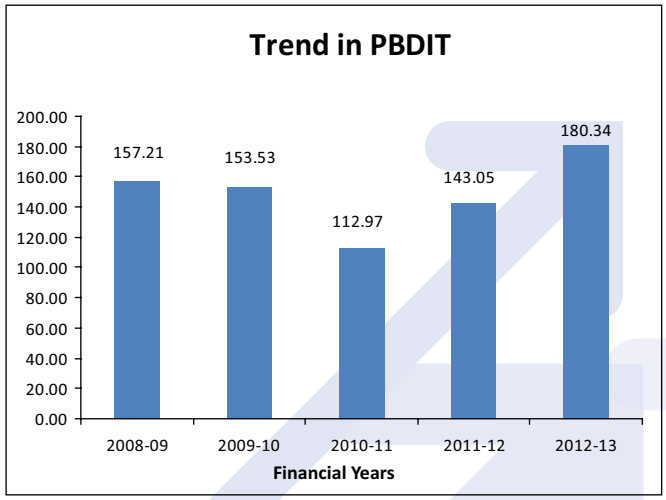
PARTICULARS	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Revenue from Operations	1204.82	1086.96	1056.09	1227.84	1589.69
Other Operating Income	19.91	6.51	7.90	10.49	7.75
Total Income	**1224.73**	**1093.47**	**1063.99**	**1238.33**	**1597.44**
Employee Cost	632.18	551.85	559.86	564.05	706.04
Operating, Admin & Other expenditure	435.34	388.09	391.16	531.23	711.06
Total Expenses	**1067.52**	**939.94**	**951.02**	**1095.28**	**1417.10**
PBDIT	**157.21**	**153.53**	**112.97**	**143.05**	**180.34**
Interest & Finance Charges	33.87	38.23	35.99	36.18	42.33
PBDT	**123.34**	**115.30**	**76.98**	**106.87**	**138.01**
Depreciation	19.75	19.17	18.35	16.83	14.20
Profit before Taxation	**103.59**	**96.13**	**58.63**	**90.04**	**123.81**
Tax Expense	7.25	8.68	8.28	19.87	14.76
Profit/(Loss) after Taxation	**96.34**	**87.45**	**50.35**	**70.17**	**109.05**
EPS (Rs. per share)	**9.50**	**9.12**	**5.25**	**7.32**	**11.35**

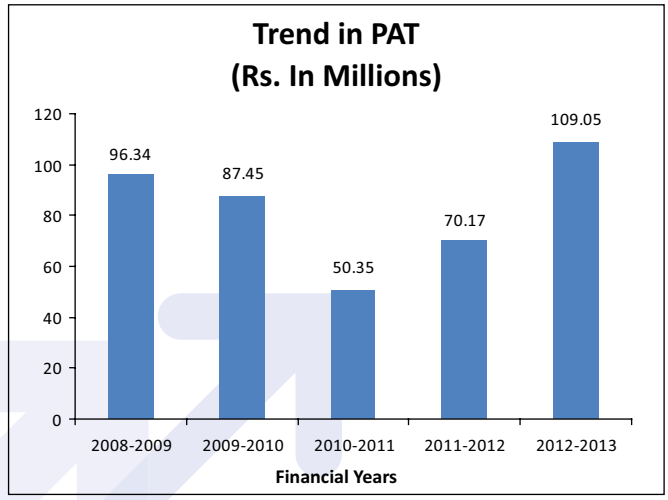
FIVE YEAR FINANCIALS (GROUP)











NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of the Company will be held on Monday, the 5th day of August 2013 at 10.30 AM 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 Balance Sheet as at 31st March 2013 and the Profit and loss Account of the Company for the year ended 31st March 2013 together with the Report of the Directors and the Auditors thereon.

2. To declare a dividend on equity shares.

3. To appoint a Director in the place of Mr. R. Rajagopalan, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To re-appoint M/s.Suri & Co., Chartered Accountants (Firm Registration No. 004283S) as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to pass with or without modification(s), the following resolution, as an ORDINARY RESOLUTION:

   "**RESOLVED THAT** M/s. Suri & Co., Chartered Accountants (Firm Registration No. 004283S), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors, based on the recommendations of the Audit Committee."

Special Business:

5. **Amendment to ESOP 2009 Plan.**

   To consider and if thought fit to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION.**

   "RESOLVED THAT in partial modification of the special resolution passed through postal ballot on 7th December 2009 ("said resolution") and pursuant to section 81(1A) of the Companies Act, 1956 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other applicable regulatory requirement, approval of the company be and is hereby accorded for further increasing the quantum of options granted under the employee stock option scheme 2009 (ESOP 2009) constituted pursuant to the said resolution from the earlier approved options exercisable into shares or securities convertible into equity shares not exceeding 5,00,000 Equity Shares of the Company of the face value of Rs.10/- each (to) options exercisable into shares or securities convertible into equity shares not exceeding 10,00,000 Equity Shares of the Company of the face value of Rs.10/- each

   RESOLVED FURTHER THAT the necessary amendment to the relevant clauses of the ESOP 2009, reflecting the further increase of the quantum of options from 5,00,000 to 10,00,000 (with such exceptions as may be considered necessary or appropriate by the board or any committee) be and is hereby approved with all other terms and conditions under ESOP 2009 plan remain unchanged.

   RESOLVED FURTHER THAT the board of directors or any committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.

BY ORDER OF THE BOARD OF DIRECTORS
FOR SAKSOFT LIMITED

Place: CHENNAI
Date : July 4, 2013

S NARAYAN
COMPANY SECRETARY

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE FORM OF PROXY IS ENCLOSED. THE INSTRUMENT APPOINTING PROXY SHOULD 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 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th July 2013 to 5th August 2013 (both days inclusive).

3. The dividend as recommended by the Board, if approved at the meeting, will be payable to those members whose names appear in the Register of Members as on 5th August 2013. The dividend in respect of share held in the electronic form will be payable to the beneficial owners of the shares as on 29th July 2013 per details furnished by the Depositories for this purpose.

4. 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 Registrars at the above address.

5. 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.**

6. Members/proxies are requested to bring their attendance slips duly filled in and their copy of the Annual Report for the Meeting.

7. Members who hold shares in the dematerialized form are requested to bring their Client_ID and DP_ID to the meeting for easier identification.

8. Corporate members intending to depute their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 AM and 01.00 PM upto the date of the meeting.

10. 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, M/s Cameo Corporate Services Limited for consolidation into a single folio.

11. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company.

12. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide a Circular No.18/2011 dated April 29, 2011 stating that a company would have complied with Section 53 of the Act, if the service of document has been made through electronic mode. Pursuant to this circular we give an advance opportunity to every shareholder to register his/her email address and changes therein, if any, from time to time with Company's Registrars and Transfer Agents, M/s Cameo Corporate Services Limited**.**

13. In terms of clause 49 of the Listing Agreement with Stock Exchanges, a brief resume of the directors who are proposed to be re-appointed at this meeting is given below**.**

Mr. R. Rajagopalan
DIN No: 00003642

Mr. R. Rajagopalan, is a fellow member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. In a career spanning over 35 years, Mr. R. Rajagopalan has served on the Board of several Companies in sectors like Financial Services, Textiles, Engineering and Software. He has authored a book on "Directors and Corporate Governance" in September 2003 which focussed on wide range of Director's responsibilities towards Corporate Governance and functioning of Corporate Management. Mr. R. Rajagopalan also held prestigious positions such as the National President of the Institute of Company Secretaries of India in 1979-1980, President of Employer's Federation Of South India in 1992-1993 besides being an active elected member of Southern Region of C.I.I for 12 years. He is presently on the Board of MRO-TEK Ltd, GTN Textiles Ltd and Patspin India Ltd. He is also the Chairman of the Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company.

Mr. R. Rajagopalan does not hold any shares in the Company and is not related to any Director of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Amendment to ESOP 2009 plan:-

On 7th December 2009 the Shareholders of the Company had accorded their consent by way of passing special resolution (said resolution) through postal ballot sanctioning the issue of options to Employees under Employee Stock Option Plan 2009 (ESOP 2009), Options exercisable into equity shares of face value of Rs. 10/- each not exceeding 500,000 equity shares of the Company, in one or more tranches in accordance with the terms and conditions of such issue.

Considering that the Employee stock options are powerful tools which help to foster employee motivation being one of the key essentials for superior performance and keeping in mind the spirit of the scheme and the interest of the employees, it is proposed that the quantum of options exercisable into equity shares of face value of Rs. 10/- each be increased from 5,00,000 (Five Lakhs) to 10,00,000 (Ten Lakhs) and accordingly make suitable amendments to the relevant clauses in the ESOP 2009 plan to this effect.

All other terms and conditions of the ESOP 2009 remains unchanged consequent to the above proposed amendment.

The ESOP 2009 scheme is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 AM and 01.00 PM upto the date of the meeting.

None of the directors of the company are in any way, concerned or interested in the resolution.

As per the SEBI Guidelines, any amendment to the ESOP Plan requires the approval of the shareholders. Accordingly, a special resolution as set out under item No. 6 of the notice is submitted for the approval of the members.

BY ORDER OF THE BOARD OF DIRECTORS
FOR SAKSOFT LIMITED

Place: CHENNAI
Date : July 4, 2013

S NARAYAN
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Fourteenth report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March 2013

Financial Results

Your Board is pleased to provide the highlights on the performance of your Company and its subsidiaries and as a Standalone entity.

	Standalone Results (Rs. In Millions)		Consolidated Results (Rs. In Millions)	
	Year ended 31st March 2013	Year ended 31st March 2012	Year ended 31st March 2013	Year ended 31st March 2012
Export Revenue	310.27	303.02	1475.37	1115.43
Domestic Revenue	114.32	112.41	114.32	112.41
Other Income	3.62	14.53	7.75	10.49
Total Income	***428.21***	***429.96***	***1597.44***	***1238.33***
Operating expenses	344.04	333.68	1417.10	1095.28
Operating Profits	***84.17***	***96.28***	***180.34***	***143.05***
Depreciation	11.38	14.99	14.20	16.83
Interest and Finance Charges	32.22	28.76	42.33	36.18
Net Profit before Tax	***40.57***	***52.53***	***123.81***	***90.04***
Current Tax	15.00	18.90	17.27	20.74
Deferred Tax	(2.59)	(1.17)	(2.51)	(0.87)
Net Profit after Tax	***28.16***	***34.80***	***109.05***	***70.17***
Profit brought forward	***290.61***	***267.63***	***477.50***	***419.15***
Available for Appropriation	318.77	302.43	586.54	489.31
Transfer to General Reserve	2.11	-	2.11	-
Dividend and Dividend Tax	23.79	11.82	23.79	11.82
Balance Carried forward	***292.87***	***290.61***	***560.64***	***477.49***

RESULTS OF OPERATIONS:

Standalone Accounts

- Total income for the year 2012-2013 was Rs. 428.21 Million as against Rs. 429.96 Million during the year 2011-2012, registering a marginal decline of 0.40%.
- Profit after tax was Rs.28.16 Million during the year 2012-2013 as compared to Rs.34.80 Million during 2011-2012, resulting a decline of 19.08%.
- Basic earnings per share was Rs.2.93 for the financial year 2012-2013 as compared to earnings per share of Rs. 3.63 for the financial year 2012.
- Operating and other expenses during the year were at Rs. 344.04 Million as compared to Rs. 333.68 Million in the previous year

Consolidated Accounts

- Consolidated total income for the year 2012-2013 was Rs. 1597.44 Million as against Rs. 1238.33 Million during the year 2011-2012, registering an impressive growth of 30%.
- Profit after taxes was Rs.109.05 Million during the year 2012-2013 as compared to Rs. 70.17 Million during 2011-2012, a staggering growth of 55.41%.
- Basic earnings per share was Rs. 11.35 for the financial year 2012-2013 as compared to earnings per share of Rs. 7.32 for the financial year 2011-2012.

DIVIDEND:

Based on Company's performance, the Directors are pleased to recommend for approval of the members a Final dividend of Rs. 2 per share (20% on the face value of Rs. 10) for the financial year 2012-13. The final dividend on the equity shares, if declared as above would involve an outflow of Rs. 20.33 Million towards dividend and Rs. 3.46 Million towards dividend tax, thereby resulting in total outflow of Rs. 23.79 Million.

TRANSFER TO RESERVE:

As stipulated under the provision of the Companies Act, 1956 read with Companies (Tranfer to Reserves) Rules, 1975, your Directors have proposed to transfer 7.5% of the current profits to General Reserve out of the profits earned by the Company.

BUSINESS:

Saksoft is the preferred partner to deliver Total Application Management solutions to our clients. With our focus on SMEs (Small and Medium Enterprises), we provide a collage of services that serve as an effective tool to the top management to plan, maintain and manage their IT investments and operations using our Total Solutions Model. Saksoft has created global footprints across the entire IT spectrum banking on its own capabilities and use select partners to deliver other capabilities.

Saksoft also has incorporated a unique Risk-Reward model to deliver its services at the right time to its clients who gets access to all services under single point of contact (SPOC). We take pride to have implemented a powerful project and program management framework and coupled the same with a unique Outcome based value proposition (Risk-Reward framework) which make us fiercely committed to bring quality based services to our Clients.

Saksoft has tied up with small and niche organizations which have ability to deliver the same value proposition with zero tolerance on maintenance of quality standards to our Clients. Our partners are nimble, have a passion for delivering high quality work and are willing to take the risks and manage the challenges in delivering high quality work.

The Staffing Services initiative that was launched by Saksoft during previous year in India and United States has turned out to be a revenue generating services offering during the current year with growing client base. Our Staffing Services offering brings several advantages to the Clients In terms of expertise, cost, availability of resources with skill sets and employee retention.

Saksoft's unique business model of Reporting as a Managed Service (RaaMS) is a packaged offering to satisfy all decision support needs of an enterprise. RaaMS will remove the hassle of building, enhancing, managing and monitoring of reporting environment and will enable business focus on decision making.

During the year, Saksoft has added Mobile application development to its service offerings. Saksoft offers full spectrum end to end mobile services across diverse categories. With a strong focus on newer technology, domain knowledge and support Saksoft strives to deliver products that are of high standards and quality. Saksoft has the expertise in Mobile Application Development across various platforms such as iPhone Application Development, Android, Windows Mobile Application, Blackberry and all J2ME based devices. Saksoft is currently credited with developing the above applications. Our strong mobile development team has been driving force for this new initiative.

STRATEGIC ACQUISITION:

To increase our Client relevance and sustain industry leadership, we have made an overseas acquisition during the year under review in December 2012 through our Wholly Owned Subsidiary in United States. Our wholly owned US subsidiary M/s. Saksoft Inc has acquired 100% stake in "Electronic Data Professionals" (EDP), an US based Business Intelligence and Information Management consulting company. EDP has wider focus and specialization and in-depth strength in the Information Management area in the US geography and has grown consistently well with rightly skilled technical teams.

Subsequently to this strategic acquisition Electronic Data Professionals shall become a direct subsidiary of Saksoft Inc and step down subsidiary of Saksoft Limited. EDP shall continue to provide specialized services to various clients and the acquisition has progressed well and we are seeing many areas of synergy.

SUBSIDIARY COMPANIES:

Your company has 5 (Five) wholly owned subsidiaries and 3 (Three) Step down Subsidiaries as of 31st March 2013. The performance of these subsidiaries are embodied and disclosed in the Consolidated Financial Statements prepared in accordance with the provisions of Accounting Standards 21 issued by the Institute of Chartered Accountants of India and the Listing Agreement of the Stock Exchanges as prescribed by the Securities and Exchange Board of India from time to time. We strongly believe the Consolidated Financial Results represent a full picture of the details of the group.

Ministry of Corporate Affairs had earlier issued a circular No. 2/2011 dated 8th February 2011 providing common exemption to all companies under Section 212 (8) of the Companies Act, 1956 with respect to attaching full annual accounts of subsidiary companies along with financials of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual Report. The audited accounts of and related information of our subsidiaries, where applicable, will be made available on request. These documents will also be available for inspection during business hours at our registered office in Chennai, India.

DELIVERY CENTRES:

Saksoft has three global delivery centers in Chennai, Noida and Manchester. Between them, they use more than 120,000 sq. ft. of development space and have a seating capacity of 700+ people. Our Manchester Center supports our UK customers with tools and application support. The center is also used to conduct custom built and public education in IM areas for our UK customers. The Chennai Center houses the corporate office and delivers our support, development and managed services operations. Chennai also has a dedicated center for one of our Credit Management clients. Our Noida Center runs our Credit Management clients' international development and support projects. One of Saksoft's large clients uses all three centers for their entire outsourcing needs and Saksoft has established a dedicated connectivity between Saksoft offices and the client's network in UK.

HUMAN RESOURCES MANAGEMENT:

India's position as the leading player in the global sourcing market has been the availability of an abundant talent pool and the multi-pronged skills of the existing employee base. In FY 2012-13, India churned out 4.35 million graduates and post graduates. With the number of enrollments maintaining a CAGR of 12 per cent during the past five years , an even larger number of intake is expected in the coming years, primarily driven by favourable Government policies on boosting the education sector in India.

Another factor in favour of India is that, it is the world's largest source of employable talent with a share of about 36 percent, one of the key parameters for clients choosing India as the most preferred sourcing market. Given the importance of human resources to the IT-BPO Industry, the large size of employee base and the need to attract future talent, the industry has been initiating various measures that ensure an employee friendly work environment. However, with the recent recession, the Industry has been facing various challenges both at macroeconomic and operational levels.

The major challenges inducing the industry to develop various innovative talent management practices can be categorized as

- Employee engagement
- Ensuring Career Progression while enabling a balanced personal life.
- HR policies focussing on localizing talent, while business goes global
- Industry constantly developing talent ecosystem to mould future leaders
- SMEs also implementing HR best practices to emerge as Employers of Choice.

Saksoft has 500 employees as at March 31, 2013. Your Company has imbibed and conceptualized its core human resource values that makes a difference in many ways and in the process provide lot of ways for people to grow to the next level. More importantly the Company's human resource management process has been designed to create a mindset among the employees where they have the opportunity to work with some talented, interesting and inspiring people who at the same time display discipline and humility. Saksoft 's enlightened approach to employee development also focuses on giving people whatever they need to succeed and this ensures that people are given continuous support, learning, recognition and transformation to next level.

From the talent acquisition front, your Company has various businesses tie ups with leading recruitment agencies to identify and engage highly talented resources both at the senior management and middle management levels. Saksoft's recruiting model also attracts resources possessing strong technical and domain knowledge needed to deliver greater value to our clients and is committed to attracting, retaining, and developing the highest quality and most dedicated workforce possible in today's market. Your company has a robust performance management system which aims to improve communication and understanding of employee's goals and concerns and is built to reward employees in a fair and transparent manner with consistent focus on training and career development initiatives to motivate employees who in turn will benefit the organization with increased operating efficiencies and enhanced delivery capabilities.

CORPORATE SOCIAL RESPONSIBILITY:

Year on Year it is a tradition set by Saksoft which is being sacrosanctly followed to contribute to the society apart from the business. Saksoft perceives this thought to each and every employee and give them an opportunity to participate voluntarily across its various corporate social responsibility (CSR) initiatives. During the year, your company initiated a five day unique event "Experience the Joy of Giving" which drew stupendous response from our employees who donated graciously for the benefit of orphaned children. We also conducted an Eye Camp for the benefit of all our employees in association with leading Eye specialty hospital in Chennai and Noida. As part of our Employee engagement programme, a food carnival was organized where our employees displayed their culinary skills and served variety of dishes at nominal costs. The total collections generated out of the food carnival was generously donated towards purchase of construction material for a Child care orphanage home which accommodates children who's parents are infected with HIV.

At Saksoft, we take steps to build resource efficiency by making our contribution in reducing the impact on our environment. Our efforts in ensuring resource efficiency involve working toward conserving energy, reducing and reusing paper, reducing and recycling water and effective waste management.

QUALITY:

Maintaining high degree of quality on whatever we commit to deliver to our valued customers is our core mantra and mission reverberated at all levels of our management. Your Company deploys various quality improvement measures/ techniques at every stage from the conceptualization of a project till commissioning and subsequently during the operation phases to identify areas of improvement and to develop action plans for achieving the desired level of quality in all of its activities.

CORPORATE GOVERNANCE:

For Saksoft, good Corporate Governance is the key for creating and maintaining public/stakeholders' trust in the Company. Your Company continuously strives for best corporate governance practices and ensures better transparency, accountability and fairness in the dissemination of information to its stakeholders. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavor to improve on these aspects. Your Company as a responsible partner in society has been showing consistency in maintaining corporate governance towards its shareholders, customers, employees, the government and business partners, in all the geographies where it operates.

A detailed Corporate Governance Report and Management Discussion and Analysis Report are included as a part of this Annual Report together with the Auditor's Certificate thereon, as required under Clause 49 of the Listing Agreement.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES:

By complying with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company is complying with all the major clauses of the Corporate Governance Voluntary Guidelines, 2009. We have reported in Annexure 'II'to the Directors' Report – Corporate Governance, the extent of our compliance of the Corporate Governance Voluntary Guidelines, 2009.

DEPOSITS:

The Company has not accepted any fixed deposits pursuant to section 58A of the Companies Act, 1956 and consequently there are no amounts by way of interest or principal that are outstanding at the end of the year.

DIRECTORS:

Mr. R. Rajagopalan, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. R. Rajagopalan.

As per disclosures made by the Directors, none of the Directors are disqualified pursuant to Section 274(1)(g) of the Companies Act, 1956 and the disclosures have been taken on record by the Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors' hereby confirm as follows:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had 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 a fair view of the state of affairs of the Company at the end of the financial year and the profits of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis.

AUDITORS

The auditors M/s. Suri& Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

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 equipments. The company strives to evolve new technologies to see to that the infrastructure is more energy efficient.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earning : Rs.307.46 Million
Foreign Exchange Outgo : Rs. 36.36 Million

MATERIAL CHANGES AFTER 31ST MARCH 2013 :

There have been no material changes and commitments between 31st March 2013 and the date of this report having an adverse bearing on the financial position of the Company.

PARTICULARS OF EMPLOYEES:

The Ministry of Corporate Affairs has notified an amendment to Companies (Particulars of Employees) Rules, 1975 which may now be called as Companies (Particulars of Employees) Amendment Rules, 2011 wherein the disclosure of names and other particulars of those employees who draw remuneration of more than 60 lakhs per annum or more than Rs.5,00,000 per month are to be disclosed in the Director's report. During the financial year 2012-2013 none of the employees drew remuneration of more than 60 lakhs per annum or more than Rs.5,00,000 per month and hence the specific disclosure did not arise during the relevant period.

EMPLOYEES STOCK OPTION SCHEME:

During the year the Compensation committee cancelled the earlier grant of 30000 options under ESOP 2006 as the option grantee voluntarily surrendered the options owing to market conditions and subsequently granted 2,00,000 options under Employee Stock Option Plan 2006 on 13th June 2012 to eligible employee of Saksoft and its subsidiaries at the rate of Rs.45.05 per option.

Details that are required to be provided under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

INVESTOR SERVICES

Investor Services are pivotal to the operations of the Company and hence your company always lays tremendous importance to redressing investor grievances and requests. The Compliance officer directly liaises with the Investor in matters relating to Investor services. The web-site of Saksoft (www.saksoft.com) is designed in a manner which is investor friendly. The Company has established an investor grievances committee to redress the grievances of the investor. The Company has designated an exclusive e-mail ID investorqueries@saksoft.co.in for investor queries to enable the investors to make their complaints, grievances and other requests. Investor relations remained cordial during the year under review and there are no investor complaints pending as on 31st March 2013.

ACKNOWLEDGEMENT

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

BY ORDER OF THE BOARD OF DIRECTORS

FOR SAKSOFT LIMITED

Place: Chennai
Dated : MAY 27, 2013

AUTAR KRISHNA
CHAIRMAN

ANNEXURE I TO THE DIRECTORS' REPORT

Information to be disclosed under the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Name of the Plan	ESOP 2006	ESOP 2009
(a) Options Granted	200,000 on 13th June 2012	NIL
(b) Pricing Formula	The Stock Options granted were priced at the prevailing market price for the Company's equity shares quoted on the National Stock Exchange of India on the date prior to the date on which the Compensation Committee decided to recommend to the grant of options to eligible employees.	NIL
Options Vested during the year 2012-13	NIL	75,000
Options Exercised	NIL	NIL
The total number of shares arising as a result of exercise of Options	NIL	NIL
Options Lapsed	10,000	NIL
Variation of terms of Options	NIL	NIL
Money Realised on exercise of options	NIL	NIL
Total Number of options in force.	200,000	375,000
Employeewise details of Options granted to		
(1) Senior Management Personnel.	Ekambaram Ramachandran – 50,000 Vinay Advani – 50,000 Nick Sullivan – 50,000 Jonathan Eeley – 50,000	NIL
(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

Name of the Plan	ESOP 2006	ESOP 2009
Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) – 20 (Earnings per share)	Not Applicable	Not Applicable
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 options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by Rs.1,79,142 Profit after tax lower by Rs.1,79,142 and the basic and diluted earnings per share would have been lower by Rs.0.0176 respectively.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by Rs.16,09,187 Profit after tax lower by Rs.16,09,187 and the basic and diluted earnings per share would have been lower by Rs.0.1583 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 of is less than the market price of the Stock.	Options grant Date : 13th June 2012 Grant Price : Rs.45.05 Fair Value : Rs.17.98	No options granted during the year
A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information	The Fair value of the stock options granted on 13th June 2012 has been calculated using the Black-Scholes options pricing formula and the significant assumptions made in this regard are as follows	NIL
	13th June 2012	
(i) risk-free interest rate (ii) expected life (iii) expected volatility (iv) expected dividend (v) the price of the underlying share in market at the time of option grant	7% 9 years 49.64% 1.92% 45.05	NIL

ANNEXURE II TO THE DIRECTORS' REPORT

A. CORPORATE GOVERNANCE – AN OVERVIEW

The term "Corporate Governance" refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and create value for all its stakeholders. The Company believes that Corporate Governance is critical for retaining investor confidence and your Company always seeks to ensure to meet this objective. The Company has established systems and procedures to ensure that its Board of Directors are well informed and well equipped to provide management with the strategic direction needed to create shareholders value.

B. SAKSOFT CORPORATE GOVERNANCE PHILOSOPHY

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 always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

C. GOVERNANCE

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholder value. The Board reviews and approves management's strategic plan & business objectives and monitors the Company's strategic decisions. The Board of Directors exercises overall governance of Corporate Governance of the Company. The Board of Directors is being assisted by Corporate Management and Operational Management.

The two-tier governance structure encompasses the Corporate Management comprising of Managing Director and Senior Management Personnel from Finance, Human Resources and Administration and Operations Management comprising of Strategic Business Heads, Executive Vice Presidents and Delivery Heads.

Both the Management Divisions plays an important role in ensuring greater management accountability and credibility which facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to increased public confidence.

D. BOARD OF DIRECTORS:

The Board of Directors provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board currently comprises of five Directors. The Company has a Non-Executive Chairman and the three Independent Directors comprise of more than half of the total strength of the Board. The roles of the Managing Director and Chairman are clearly demarcated to prevent unfettered decision making power from being rested with single individual.

E. BOARD RESPONSIBILITIES

All the members of the Board are experienced and seasoned professionals and financially literate. The Board members also possess expertise in accounting and financial Management and they focus substantial time to study the data and contribute effectively to Board discussions.

F. AUDIT COMMITTEE

The Audit committee of the company consists of 3 non-executive and independent directors. The composition of the committee and the qualification prescribed for the members are in compliance with the requirements of clause 49 of the Listing Agreement. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise. The role of Audit Committee includes overseeing the Company's financial reporting process and disclosure of its financial information, recommending the appointment of the Statutory Auditors and fixation of their remuneration, reviewing about internal control systems, reviewing major accounting entries involving exercise of judgment by the management, reviewing the risk management mechanisms of the Company, reviewing of compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transaction, reviewing the Quarterly and Half yearly financial results and the Annual financial statements before they are submitted to the Board of Directors.

G. NOMINATION AND REMUNERATION COMMITTEE

The company's Remuneration committee consists of three non-executive independent directors. The scope/role of the committee is to review, assess and recommend the appointment of Executive and Non Executive Directors (NED) and, to review their remuneration package, to recommend compensation to the NEDs in accordance with the provisions of the Companies Act, 1956, to consider and recommend Employee Stock Option Schemes and to administer and superintend the same. During the year there were no new Directors being inducted to the Board

H. APPOINTMENT OF INTERNAL AUDITOR

In order to ensure the independence and credibility of the internal audit process, the Board has in place internal auditor and such auditor is not an employee of the company.

REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

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 always 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 senior management including the Whole-time Directors and the Managing Director.

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 always 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 endeavour of the Company to be one of the best practitioners of Corporate Governance and ensure compliance with Clause 49 of the Listing Agreement. 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD OF DIRECTORS:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board currently comprises of five Directors. The Company has a Non-Executive Chairman and the three Independent Directors comprise of more than half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance 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 Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non- compliance. The Managing Director and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 V of the Listing Agreement for the Financial Year ended March 31, 2013.

Composition and category of Directors:

Name of the Directors	Designation	Category
Autar Krishna	Chairman	Non-Executive and Promoter
Aditya Krishna	Managing Director	Executive and Promoter
R Rajagopalan	Director	Independent Non-Executive
Amitava Mukherjee	Director	Independent Non-Executive
Ajit Thomas	Director	Independent Non-Executive

Shares held by Non-executive Directors:

The Non-executive Directors of the Company other than Mr. Autar Krishna and Mr.Ajit Thomas do not hold any shares of Saksoft. Mr. Autar Krishna holds 200,120 Equity Shares of Saksoft Limited and Mr.Ajit Thomas holds 200,000 Equity Shares of Saksoft Limited.

Board Meetings

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 full attendance and participation in the Board meetings. The Company conducts Board meetings in compliance with the requirements of the Companies Act, 1956 and the Listing Agreement. During the financial year 2012-13, the Board met 5 times on 22nd May 2012, 30th May 2012, 6th August 2012, 29th October 2012 and 4th February 2013.

The attendance of each director at Board Meetings and last Annual General Meeting and the number of other chairmanship/ membership of the committees of each director in various companies are as under.

Name of the Director	Particulars of the attendance in		Directorship in other Indian Public Companies	Position on Audit & Investor Grievance Committees in other Indian Public Companies	
	Board Meetings	Last AGM		As Chairman	As Member
Autar Krishna	4/5	Yes	4	-	2
Aditya Krishna	5/5	Yes	3	1	1
R Rajagopalan	3/5	Yes	3	2	3
Amitava Mukherjee	4/5	Yes	1	-	-
Ajit Thomas	4/5	No	9	-	-

Notes :

1. None of the Directors of the Company hold membership of more than ten Committees nor is a Chairman of more than five committees (as specified in Clause 49), across all companies of which he is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2013 have been made by the Directors.
2. The committees considered for above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee and Shareholders/Investors grievance Committee.

BOARD PROCEDURE:

The Board meets at least once in a quarter and the interval between two meetings is not more than 4 months. Apart from the statutory requirements, the role of the board includes setting the annual business plan, periodic review of operations and considering proposals for diversification, investments, and business re- organization. The information periodically placed before the board includes status of statutory compliance, proceedings/minutes of all committees including the audit committee.

AUDIT COMMITTEE:

The terms of reference stipulated by the Board to the audit committee cover the matters specified under clause 49 of the Listing Agreements with the Stock Exchanges.

The Audit committee of the company consists of 3 non-executive and independent directors. The composition of the committee and the qualification prescribed for the members are in compliance with the requirements of clause 49 of the Listing Agreement. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.

The members of the Audit Committee are as follows:

1.	R Rajagopalan	-	Independent Director	-	Chairman
2.	Amitava Mukherjee	-	Independent Director	-	Member
3.	Ajit Thomas	-	Independent Director	-	Member

During the year 2012-13, the Audit Committee met four times on 30th May 2012, 6th August 2012, 29th October 2012 and 4th February 2013. The interval between two meetings convened was not more than four months. Majority of the members maintaining requisite quorum of the committee have attended all the audit committee meetings. The Company also adheres to the Companies Act, 1956, the Listing Agreement and the SEBI Guidelines in relation to the quorum for the meetings, role and powers of the committee.

REMUNERATION COMMITTEE:

The company's Remuneration committee consists of three non-executive independent directors.

Mr.R.Rajagopalan, Mr.Amitava Mukherjee and Mr.Ajit Thomas are the members of the committee. The scope/role of the committee is to recommend to the Board of Directors, the remuneration payable to the whole time directors as and when they come up for review and also administers the Employees Stock Option plans of Saksoft Limited.

Mr. Rajagopalan is the chairman of the Remuneration committee.

The details of remuneration paid to the Managing Director of the Company for the year ended 31st March 2013 is as under:

Name	Salary	Commission	Total
Aditya Krishna, Managing Director	**30,00,000**	**NIL**	**30,00,000**

REMUNERATION OF NON-EXECUTIVE DIRECTORS:

The Company pays Sitting Fees of (a) Rs. 20,000/- per meeting to its Non-executive and Independent Directors for attending meetings of the Board and (b) Rs. 5,000/- per meeting to its Non-executive and Independent Directors for attending meetings of Committees of the Board. Your Company had earlier took approval from the Ministry vide their letter dated 3rd February 2010 towards payment of commission within the ceiling of 1% of net profits computed under the applicable provisions of the Companies Act, 1956 for five (5) financial years commencing from 1st April 2008. As the above approval period is said to expire by 31st March 2013, Your Company has obtained prior approval from its Shareholders at 13th Annual General Meeting of the Company towards payment of commission of 1% of the net profits of the Company for further period of 5 years commencing from 1st April 2013. 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 paid for the year ended 31st March 2013 to the directors and the Commission are as follows:

S.No.	Names of Directors	Sitting Fees (Board Meetings)	Sitting Fees (Committee Meetings)	Managerial Commission Payable	Total
1.	Autar Krishna	Rs.60,000	Nil	Rs.1,00,000	Rs.1,60,000
2.	R.Rajagopalan	Rs.60,000	Rs.30,000	Rs.1,00,000	Rs.1,90,000
3.	Amitava Mukherjee	Rs.80,000	Rs.45,000	Rs.1,00,000	Rs.2,25,000
4.	Ajit Thomas	Rs.80,000	Rs.45,000	Rs.1,00,000	Rs.2,25,000

SHAREHOLDERS' GRIEVANCES COMMITTEE:

The Board has constituted a shareholder/Investors grievance committee comprising of Mr. R Rajagopalan, Mr. Amitava Mukherjee and Mr.Ajit Thomas. The Committee looks into redressing of shareholders' complaints like share transfers, non-receipt of dividend warrants etc. Mr. R Rajagopalan is the chairman of the Committee. Mr. S Narayan, the Company Secretary and Compliance Officer of the Company is the secretary of the committee. During the year, the committee met 4 times on 30th May 2012, 6th August 2012, 29th October 2012 and 4th February 2013.

During the year there was no investor complaints received for the year ended 31st March 2013.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2009-10	Naradha Gana Sabha, Mini Hall, 314, TTK Road, Chennai – 600 0184	06.08.2010	10.00 AM
2010-11	P.Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T.Nagar, Chennai – 600017.	05.08.2011	10.00 AM
2011-12	P.Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T.Nagar, Chennai – 600017.	06.08.2012	10.00 AM

(ii) Special Resolution passed during the last three Annual General Meetings

Financial Year	General Meeting	S.No.	Particulars of Special Resolution passed
2009-10	**11th Annual General Meeting**	**1.**	A special resolution was passed for approval of excess remuneration paid to Mr.Aditya Krishna. Managing Director
		2.	A special resolution was passed for approval of excess remuneration paid to Mr.N.K.Subramaniyam, Executive Director (Operations & Technology)
		3.	A special resolution for revision in terms of remuneration of Mr.Aditya Krishna, Managing Director.
		4.	A special resolution for approval for payment of remuneration as minimum remuneration to Mr.N.K.Subramaniyam, Executive Director (Operations & Technology).
2010-11	**12th Annual General Meeting**	**1.**	A special resolution was passed for appointment of a relative of Director under Section 314 of the Companies Act, 1956.
2011-12	**13th Annual General Meeting**	**1.**	A special resolution was passed for payment of commission to Non-Executive Directors for further period of 5 years from financial year commencing from 1st April 2013.

(ii) 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.

DISCLOSURES:

A statement of related party transaction has been disclosed as a part of the accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accounting Standards of India.

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.

The Company has in place proper reporting and redressal mechanism and also affirms that there are no personnel who were denied access to the Audit committee.

Details of Compliance with the Mandatory Requirements:

The Company has complied with all the mandatory requirements prescribed under the Listing Agreement. The Remuneration committee of the Directors is constituted in compliance with the non-mandatory requirements prescribed under the Listing Agreement.

MEANS OF COMMUNICATION

The Company publishes the quarterly financial results in the manner prescribed by the Stock Exchanges. For the financial year ending 31st March 2013, the quarterly results were filed and published in the manner set forth below:

Quarter	Date of Filing with the Stock Exchange	Date of publication in English Newspaper	Date of publication in Vernacular daily
I	30th May 2012	31st May 2012 – Trinity Mirror	31st May 2012 – Makkal Kural
II	6th August 2012	7th August 2012 – Trinity Mirror	7th August 2012 – Makkal Kural
III	29th October 2012	30th October 2012 – Trinity Mirror	30th October 2012 – Makkal Kural
IV	4th February 2013	5th February 2013 – Trinity Mirror	5th February 2013 – Makkal Kural

The quarterly and annual financial results are posted in the Company's web-site www.saksoft.com.

UPDATED WEBSITE:

SEBI vide its circular CIR/CFD/DIL/10/2010 dated 16th December 2010 has amended the listing agreement and introduced a new clause 54 towards maintenance of website wherein all listed companies are mandated to maintain a functional website that contains basis information about the Company and duly updated statutory filings if any. Accordingly your Company has designed its website to provide more information on management and service offerings and also has a dedicated page for the Investors wherein all the annual reports and the latest filing of the shareholding patterns are readily accessible.

CEO / CFO CERTIFICATION

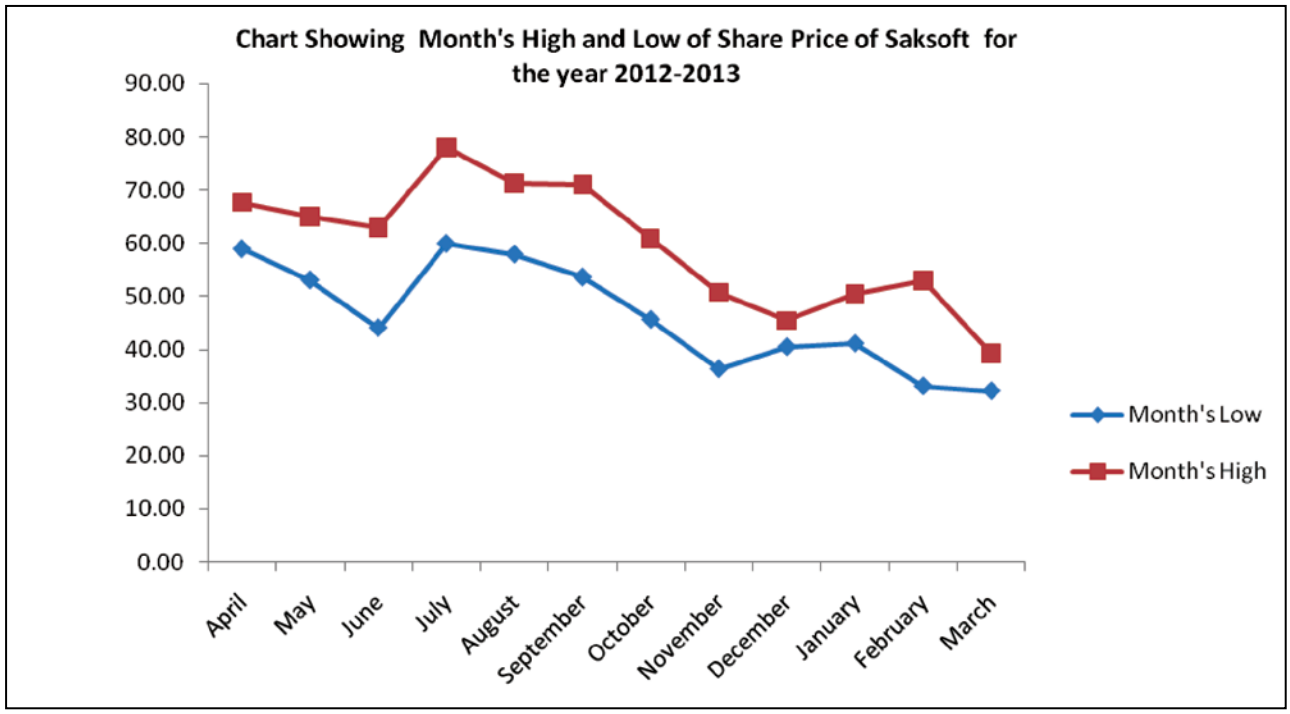
As required by Clause 49 of the Listing Agreement, a Certificate on the financial statements and Cash Flow statement of the Company for the year ended March 31, 2013 has been duly signed by the Managing Director and Chief Financial Officer.

GENERAL SHAREHOLDER INFORMATION: (TENTATIVE)

Particulars	Details
Annual General Meeting	Date : 5th August 2013 Time : 10.30 A.M Venue : P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017
Financial Year **Periodical results** Results for I Quarter ending 30th June 2013 Results for II Quarter ending 30th September 2013 Results for III Quarter ending 31st December 2013 Results for the year ending 31st March 2014	1st April to 31st March First week of August 2013 First week of October 2013 First week of February 2014 Last week of May 2014 *The schedule is tentative.
Book Closure Date	29th July 2013 to 5th August 2013 (both days inclusive)
Dividend Payment Date	Between 14th August 2013 and 4th September 2013
Listing on Stock Exchanges	The Equity shares of the Company are listed at the National Stock Exchange of India Limited and are permitted to be traded on the Bombay Stock Exchange under the category permitted securities. The annual listing fee as prescribed by the National Stock Exchange has been paid to them within the prescribed time limit.
Stock Code **DEMAT ISIN Number in NSDL and CDSL for Equity Shares.**	SAKSOFT EQ INE667G01015
Market Price Data: High and Low during each month in last financial year	The National Stock Exchange of India Limited, Mumbai (Provided below)

National Stock Exchange		
Month, Year	**Price High**	**Price Low**
April 2012	67.70	59.00
May 2012	65.00	53.10
June 2012	63.00	44.10
July 2012	78.00	60.00
August 2012	71.25	58.00
September 2012	71.00	53.65
October 2012	60.90	45.65
November 2012	50.80	36.35
December 2012	45.50	40.50
January 2013	50.50	41.15
February 2013	53.00	33.10
March 2013	39.35	32.20

Stock Movement Chart



Registrar and Transfer Agents:

Cameo Corporate Services Limited
Subramanian Buildings
No.1, Club House Road, Chennai – 600 002.
Tel:+91-44-28460390, Fax: +91 – 44 – 28460129
Email: saksoft@cameoindia.com
Web-site: www.cameoindia.com

Share Transfer System: The Company's shares are traded in the Stock Exchanges 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 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.

Distribution of shareholding as on 31st March 2013:

Number of Shares	Shareholders		No of Shares	
	Number	%	Number	%
Upto 5000	1631	86.90	184506	1.81
5001-10000	94	5.01	73586	0.72
10001-20000	48	2.56	72384	0.71
20001-30000	27	1.42	66775	0.66
30001-40000	13	0.69	45415	0.45
40001-50000	8	0.43	38187	0.38
50001-100000	20	1.07	156210	1.54
100001 and above	36	1.92	9527937	93.73
Total	1877	100	10165000	100

Pattern of Shareholding as on 31st March 2013

Category	No of Shares	% holding
Promoters	7611300	74.87
Mutual Funds & UTI	Nil	Nil
Banks/Financial Institutions	101297	1.00
NRI's/OCB	23085	0.23
Corporate Bodies	85935	0.85
Public	2160307	21.25
Others	183076	1.80
Total	10165000	100.00

Dematerialization of shares and liquidity

As at 31.03.2013, 99.81% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange and Bombay Stock Exchange. The Company has not issued any ADRs/GDRs or any convertible bonds.

During the year under review, Mr.Aditya Krishna, Promoter, purchased 8000 Shares of the Company from the open market amounting to 0.08% of the total Paid-up Capital and Mr.Ajit Thomas, Independent Non-Executive Director purchased 2,00,000 Shares of the Company from the open market amounting to 1.97% of the total Paid-up Capital. Adequate disclosure has been made to the Stock Exchanges under SEBI Takeover Regulations 2011 and SEBI (Prohibition of Insider Trading) Regulations, 1992.

Requests to Shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) mandate:

The Securities Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account. ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode:

Shareholders should fill up complete and correct particulars in the transfer deed, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place. Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the STA.

In terms of SEBI's circular No. MRD/DoP/Cir-05/1009 dated 20th May 2009, it has become mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode. In case of loss / misplacement of share certificates, shareholders should immediately lodge a FIR /Complaint with the police and inform the Company / STA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Nomination in respect of shares - Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc. It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations.

Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form 2B. This form is attached at the end of this report. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

Shareholders are requested to update their address registered with the Company, directly through the STA located at the address mentioned elsewhere in the annual report, to receive all communications promptly. Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.

SMS Alerts:

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their DPs. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/ losing your right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund(IEPF).

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders, who have not encashed their dividend warrants, in respect of dividends declared for the year ended 31st March 2006 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 205C of the Act. Shareholders are requested to note that as per the applicable provisions of the Act, unclaimed dividends, once transferred to IEPF, will not be refunded.

Green initiative:

MCA has undertaken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and issued circulars stating that service of notice, annual report, etc., can be sent by email to its members. The advantages of sending such documents in email are to:

- Receive communication promptly;
- Reduce paper consumption and save trees;
- Eliminate wastage of paper;
- Avoid loss of document in postal transit; and
- Save costs on paper and on postage.

Accordingly, the annual report for 2012-13, notice for AGM, etc., are being sent in electronic mode to such of the members whose email addresses are available and registered with the Company / DPs and who have not opted to receive the same, are being sent in physical form. To support this green initiative of the Government, members are requested to register their email addresses, with the DPs, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Company / DPs from time to time.

Office Locations:

Saksoft Limited SP Infocity, Block A, 2nd Floor, 40, MGR Salai, Perungudi, Kandanchavadi Chennai – 600 096 Ph: 044- 2454 3500 Fax: +91-44- 2454 3510	**Saksoft Limited** B-35-36, Sector 80 Phase – II, Noida – 201 305 Uttar Pradesh Tel :+91- 0120 – 2462175 Fax : +91-0120 - 2462179	**Saksoft Inc.,** Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302. P: +001 201 451 4609/4612 F: +001 212 504 8026
Saksoft Pte Limited 100A, Eu Tong Sen Street, #04-01(Office 9), Pearls Centre Office Podium, Singapore – 059813 P:+65-62242550 F:+65-62242783	**Saksoft Ltd.,** Waterside Court, #1, Crewe Road, ManchesterM23 9BE, UK P:+44-8707894321 F:+44-8707894002	**Saksoft Investments Private Limited,** Waterside Court, #1, Crewe Road, ManchesterM23 9BE, UK P:+44-8707894321 F:+44-8707894002
Saksoft GmbH Lyonerstr 14 60528, Frankfurt, Germany P:+49-69-6655 4218 F:+49-69-6688 4100	**Synetairos Technologies Limited** **Corp Office :-** SP Infocity, Block A, 2nd Floor, 40, MGR Salai, Perungudi, Kadanchavadi, Chennai – 600 096 Ph: 044- 2454 3500 Fax: +91-44- 2454 3510	**Electronic Data Professionals** 3070 Bristol Pike, Suite 2-229 Bensalem, PA 19020

Address for Correspondence:

Saksoft Limited,
SP Infocity, Block A,
2nd Floor, 40, MGR Salai,
Perungudi,Kandanchavadi
Chennai – 600 096
Ph: 044 - 24543500
Fax: +91-44-24543510

Exclusive E-mail ID for redressal of investor complaints:

In terms of Clause 47(F) of the listing agreement, please use the following contacts for redressal of investor Complaints

E-mail	:	complianceofficer@saksoft.co.in
Compliance Officer	:	Mr. S Narayan
Tel Nos	:	+91 – 44 - 24543500

Compliance with Code of Conduct

The Board of Directors has affirmed compliance with the Code of Conduct for Board of Directors & Senior Management adopted by the Company for the year ended 31st March 2013.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, 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 2013.

For **Saksoft Limited**

Place: Chennai
Date : May 27, 2013

Aditya Krishna
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report contain certain forward looking statements that may lead to risks and uncertainties. The usage of words like “anticipate”, “believe”, “estimate”, “intend”, “will” and “expect” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements

Overview:

The financial statements have been prepared in accordance and in compliance with the requirements of Companies Act, 1956, Listing Agreement, Accounting Standards and other statutory accounting pronouncements in India. The management accepts the responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgements used herein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order to ensure that the financial statements reflects a true and fair view of the form and substance of transactions and reasonably present our state of affairs of the Company and profits for the year.

1.1 Economic Overview

The Global Economy is optimistic in expecting a subdued recovery in 2013, the reason being the recession in the Euro zone causing spill over in other economies coupled with poor domestic demand and an uncertain external environment. Various research studies on economy seem to suggest a gradual strengthening of global economic growth to the extent of 3.1 and 3.3 percent in 2014 and 2015. The economists believe that the two-fold approach of improvising the financial condition and relaxation of monetary policy adopted by developing countries forecasts the gradual rise of developing countries growth to 5.7 and 5.8 per cent in 2014 and 2015 respectively.

The world economy tossed by the turbulence of the global financial crisis for the past four years is grappling with challenges and slowly regaining a measure of stability and confidence. In the present scenario of the global economy the developed countries are moving towards restructuring and fiscal consolidation which may lead to slow movement in growth over the next few years.

On a positive note, the global financial markets are showing headway towards progress with the augmentation of measures adopted by European Central Bank (ECB) towards improving fiscal sustainability of the Euro when many market risk indicators have fallen back to levels last seen in early 2010 at the time Euro fiscal sustainability took the fore.

With the backdrop of slow recovery of the global economy, the favorable news on the Indian Economy front is that the International Monetary Fund (IMF) in the latest edition of its flagship publication, World Economic Outlook, stated that the Indian Economy has bottomed out, meaning that the worst is over. IMF has projected that the domestic economy to grow by 5.7 per cent in 2013 which, though is slightly lower than its earlier estimate of 5.9 per cent.

The economists believe that the Indian economy will benefit from a hopefully better monsoon, external demand, solid domestic consumption and recent policy changes. However, risks remain as the economy faces structural challenges which can lower potential output and keep inflation at elevated levels. It is expected that the Indian economy will do better than the global average.

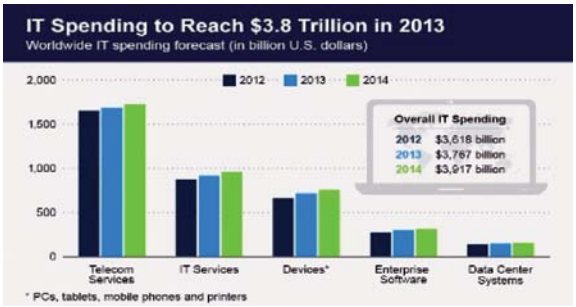
On the Industry front, the Confederation of Indian Industry (CII) advocated a cut of 100 basis points in policy rates by Reserve Bank of India in 2013-2014 to attract investments. Pegging economic growth at 6 to 6.4 per cent in the current financial year, the Government seek to maintain the momentum of economic reforms to increase Investor confidence.

1.2 IT Industry outlook

Today the best of technology is now playing a vital role in every industry and trends such as mobility, social media, big data and the cloud are driving tech adoption worldwide. The Indian IT Industry to maintain its pace with the changes in technology is expected to

- Maintain growth trajectory in 2013 and meet the lower end of its growth guidance
- Evolve to Innovate
- Collaborate with customers to grow their businesses
- Strategize business models and build solutions to become a strategic partner for Global clients.
- Leverage the new opportunities emerging for solutions around mobility, analytics, the cloud and collaboration.

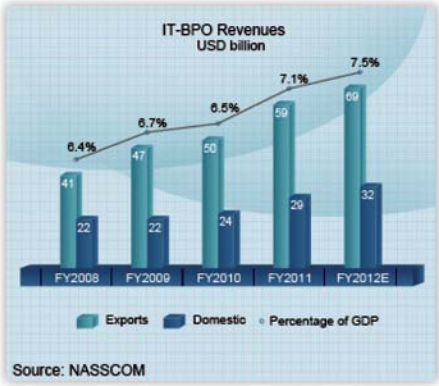
Today the IT Industry is centered around with the demand in Applications Development and Maintenance (ADM), managed services, cloud computing particularly Infrastructure as a Service (IaaS), data centre consolidation, open source and mobility and these are projected to create a sizeable opportunities for growth of IT Industry.



The worldwide IT spending is projected to total $3.8 trillion in 2013, a 4.1 percent increase from 2012 spending of $3.6 trillion, according to the latest forecast by Gartner, Inc gives out enough reason for the IT services industry to cheer with three-quarters of large Indian enterprises expected to increase their spending on IT in 2013.

Figure 1: A comparative word wide IT spending
**Source: Gartner (March 2013)*

NASSCOM estimates Indian IT-BPO industry revenues at around USD 100 billion



Total export revenues were estimated to reach USD 69.1 billion in FY2012, with a growth rate of 16% from the previous year. The software and service export revenues alone constitutes 87% of the total industry revenue with the estimated value at USD 87.6 billion and at a growth of 14.9% from FY2011. Within this segment, IT services accounts for 58 per cent, BPO at 23 per cent and ER&D and Software Products at 19 per cent.

Figure 2: *Indian IT-BPO Revenues (USD billion)*

NASSCOM projects an increase of 12-15% in the Indian IT-BPO revenues for the year 2013. New business models, global delivery, partnerships and transformative focus will become the focus areas for Indian IT-BPO sector.

Figure 3: *Indian IT-BPO Revenues (USD billion)*

Highlights during FY2012-13

- IT services exports of USD 40 billion with a growth rate of 19% is the fastest growing segment
- Increased acceptance from mature segments such as BFSI, US, and large corporations, and emerging segments such as retail, healthcare, utilities, SMBs, Asia Pacific.
- Considerable traction in traditional segments – custom application development, application management, IS outsourcing and software testing
- Emerging technologies – cloud computing, mobility, social media and big data/analytics unleash new opportunities for the industry.

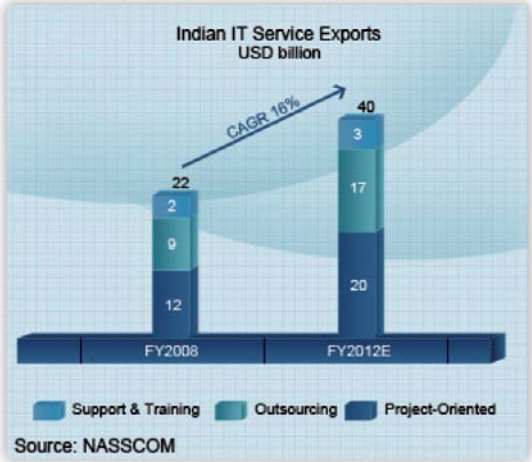


Figure 4: *Indian IT-Services Exports (USD billion)*

NASSCOM expects a promising growth for Indian IT-BPM sector in the year 2013. The sector will expand owing to around 2-3X growth in Remote Infrastructure Management (RIM) services, BPM as well as Testing. Emerging verticals including retail, healthcare and utilities, which exhibited a 2X average growth during 2012, are projected to maintain momentum. Europe, the fastest growing geography for India in 2012, will also catalyze industry expansion. Indian IT-BPM industry has expanded its global delivery network, with operations over 70 countries and 560 centers across the globe. These trends are likely to continue in 2013 as well.

Whilst the outlook for IT services remains relatively unchanged since last year, continued hesitation among buyers is fostering increased competition and cost pressure in mature IT outsourcing (ITO) segments and reallocation of budget away from new projects in consulting and implementation.

2.0 Business

2.1 Our businesses

NFORMATION MANAGEMENT

The strategic consideration of Information Management is becoming increasingly important for organizations for a number of reasons:

- The volume of information held and required to be analysed is increasing significantly
- Regulatory pressures are increasing, requiring more accurate, consistent, transparent and auditable reporting and management of key business information.
- Technology advances are enabling more information to be analysed faster and to be personalised to meet specific consumer needs, whenever and wherever required.

An Information Management Strategy articulates the overall vision, objective and approach in the context of managing the organisation's information assets to derive business value. In organizations that use an enterprise approach to Information Management, the IM Strategy sets the direction to establish and maintain a co-ordinated, integrated - IM environment across the enterprise.

Saksoft's IM Environment model encapsulates all elements of the information environment within an organisation and looks at the human and technical factors from a business and technical perspective. The model has 28 key areas which are further subdivided to over 125 elements to ensure a comprehensive understanding.

Saksoft's definition of an organisation's IM Strategy will typically address :

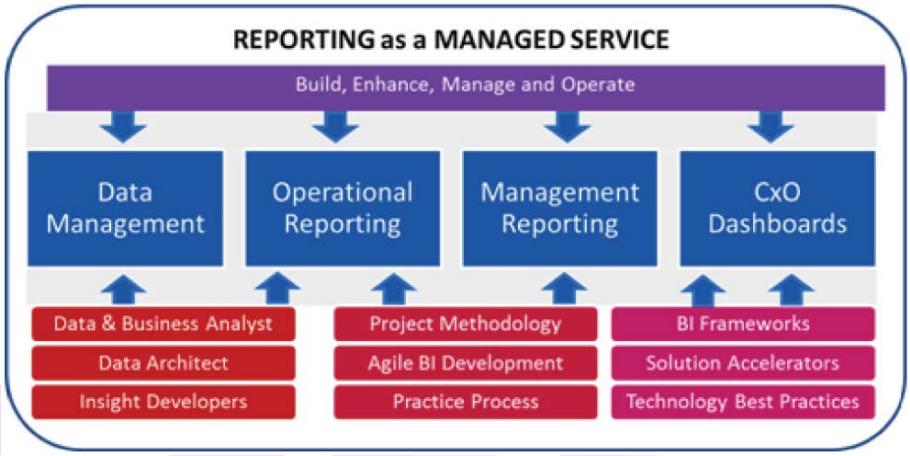
- IM Vision and its alignment to the overall business strategy and objectives
- Information Environment - current and projected
- IM Roadmap

nformation Management - Reporting as a Managed Service (RaaMS)

Saksoft's Reporting as a Managed Service (RaaMS) is a packaged offering to satisfy all decision support needs of an enterprise. RaaMS will remove the hassle of building, enhancing, managing and monitoring of reporting environment and will enable business focus on decision making.

Saksoft's Reporting as a Managed Service (RaaMS) offering helps Organizations generate actionable insights by the provision of data management, operational reporting, strategic reporting and CXO Dashboards as On Premise services besides packaging the following in all phases of the managed services to its Client globally.

Your Company has extensive global Information Management experience across multiple industries and encapsulates a wide variety of skills to offer best of services to its Clients in the areas ranging from data management to insight delivery. Certainly we are the preferred Information Management solutions provider and a clear differentiator in the IM space for those Enterprise Managements seeking greater business agility solutions to their complex business problems.



Going by the Industry review, Saksoft firmly believes that there is growing demand for Information Management solutions in the form of RaaMS model and the Company has identified a number of clients with the potential to be high revenue generating clients. Growth within these clients will be driven by dedicated client engagement teams and more focus on developing deeper customer relationships and satisfaction. From a Go-to-market perspective, the Company is focusing on expanding its sales bandwidth and market reach through value-added partnerships with both product and business partners.

nformation Management – Business Intelligence, Data Warehousing and BO Migration

Saksoft has an extensive understanding of BI solution definition, development and deployment. As an integral part of our methodology, Saksoft has successfully delivered BI solutions using all of the leading and many niche BI toolsets. Saksoft is equipped to provide a comprehensive and proven BI delivery capability and constantly engages in research & develop in understanding new BI products.

Saksoft has developed a data warehouse development and deployment methodology. This incorporates an iterative design and development approach that has proven to be a very successful among its clients.

Saksoft delivers innovation to clients by driving user productivity and self-service, and exploits the value of existing investment into SAP Business Objects, migrates and upgrades to latest releases. Saksoft has the experience of building BO Migration solutions using latest technology and has developed different phases consisting of assessment, planning, migration, validation and training for its Clients.

nformation Management –Mobile Application Development

"Information on the go" has become today's mantra which has lead to tremendous growth in the use of smartphones worldwide and with them the much sought after mobile applications. Your Company sees abundant opportunities in Mobile applications Development and to keep with the latest trends in business and consumer centric mobile applications, Saksoft has added Mobile Application Development to its service offerings.

Saksoft has a strong focus on newer technology, domain knowledge and support and it delivers products that are of high standards and quality to its Clients. Your Company has built a very strong mobile development team and capable of working across all platforms such as iPhone Application Development, Android, Windows Mobile Application, Blackberry and all J2ME based devices.

Saksoft currently specializes in developing following mobile applications

By working with leading OS platforms in Mobility and by developing solutions on these platforms, Your Company is deepening its core expertise in areas that are expected to be in demand in the coming years.

Saksoft has gone way ahead to offer to its clients custom based Mobile Applications of ERP, CRM and BI dashboards besides offering conversion of web pages into Mobile device compatible versions across a range of advanced platforms.

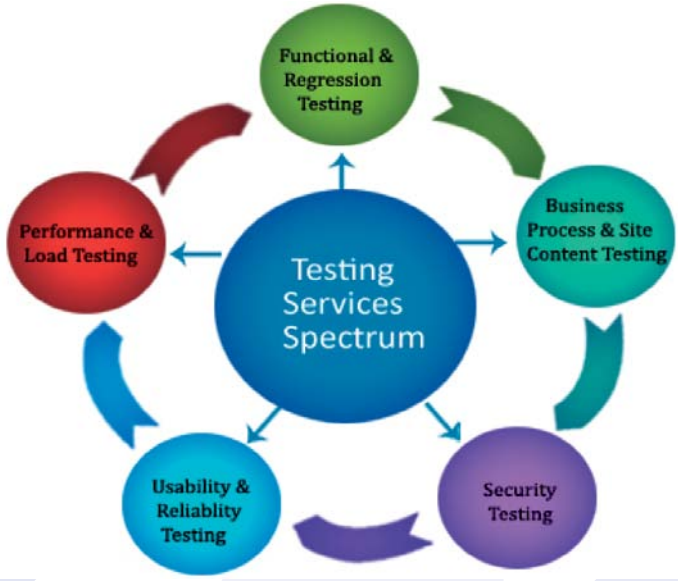
nformation Management – Sap Mobility Services

Saksoft has partnered with SAP, a renowned market and technology leader in business management software and this partnership has opened up new horizons and capabilities for Saksoft in SUP Hybrid Web Container applications and SUP Native Apps (iPhone, iPad, Android & Blackberry). Your Company has built a very strong dedicated team of people who are capable of providing these services on a project basis or on a resource augmentation basis.

ndependent Testing

Saksoft is a specialized provider of software services & staffing to the Banking and Financial Services Industry (BFSI). Our expertise in testing methodologies and tools, combined with our domain knowledge, has given a substantial cost reduction, enhanced revenue generation and also improved customer satisfaction from the usage of our custom built financial software solutions.

Your Company has a strong process orientation and brings with it an eye for detail to deliver high quality solutions while performing the following types of Testing services for clients.



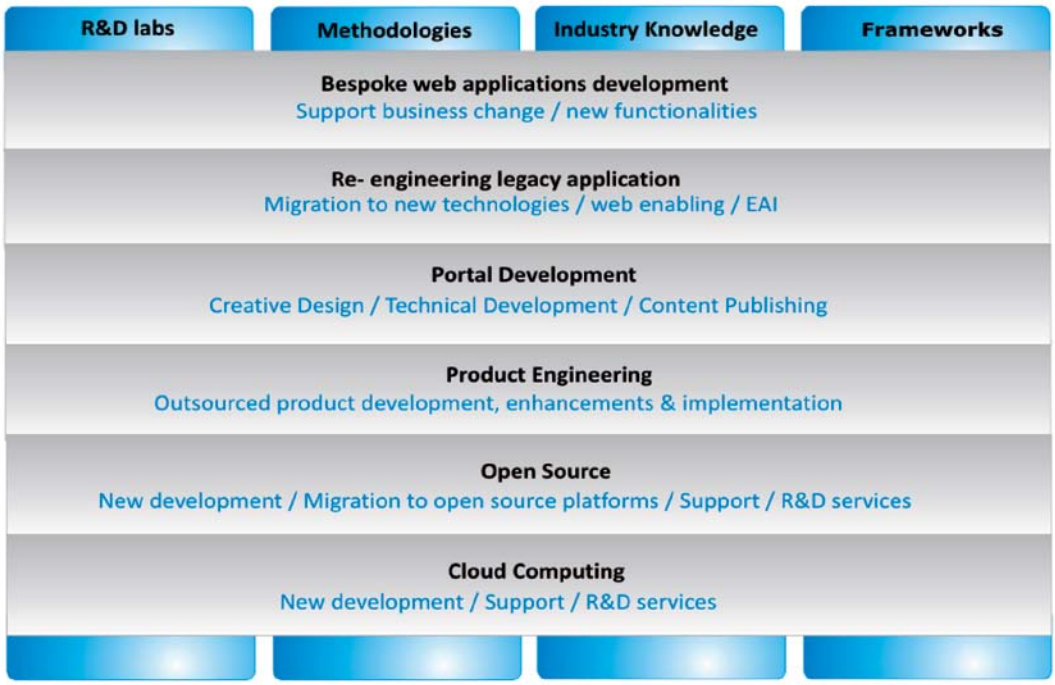
We have a proven track record in working with global, multi-location clients and the ability to work and communicate effectively with cross-cultural teams.

ntegrated Web Development

Saksoft's web development capabilities allow organizations to manage their web applications and e-Business frameworks. Our expertise in Open Source, our Gold Partner status with Microsoft and our ability to integrate applications across multiple platforms makes us a preferred partner for discerning clients.

Our Web development services include

- Portal and Content Management using Sharepoint Portal, Fatwire & Open Source CMS
- Web 2.0 services include using collaborative development tools to deliver innovative solutions
- .NET based application development services using C#, VC++, VB and MS-SQL server
- Application Integration Services
- Web development using J2EE and open source framework
- Setting up and managing an enterprise wide web presence
- Intranet development



2.3 What makes Saksoft a unique Service provider

Indepth understanding :

Saksoft's endeavour in understanding the nuances of offering best of solutions to Clients through its niche offerings has proven successful since its inception. Our deep insight into each of our businesses is one of our biggest competitive advantages. Each of our offerings is being managed by dedicated team of specialists and falls under the direct supervision of our senior delivery management team. We have a Core Team comprising of senior members from delivery and management to evaluate and oversee the progress of our commitments to our clients and to review new client additions to our business.

Creating Success and Value Creation

Making our customers successful is our passion and we achieve this by delivering solutions that allow our customers to go to market with innovative products and solutions. We create value by providing innovation as a key attribute in our engagements. Innovation is achieved through frameworks, delivery supremacy and an approach to do it right the first time.

Credible, Niche Partner

Our growth has been possible by focus and our ability to reference every customer successfully all the time. We have created relationships that allow us to operate as Partners and not as Vendors.

Business Models

Our niche business model is built on the premise of Global Delivery, Capacity Pooling, Multi-Sourcing and Pay-Per-Service. At Saksoft, our Business Model is an engagement attribute and allows the customer the flexibility in managing their process.

2.4 Company Strategy

The company has chalked out a realistic growth strategy which places emphasis on meeting the complete IT requirements of small and medium enterprises. Saksoft will provide solutions through an innovative risk-reward model by using own and partner driven solutions to provide cost savings and reduction in total cost of ownership to our clients. We will use the arrowhead of Information Management to acquire clients and then use this as the platform to build a Total Solutions approach to our clients.

2.5 Company partnerships

SAP

Acuma (UK entity) is a Gold Partner of SAP- Business Objects. We are one of their successful resellers and we provide Education, technical support and consultancy services under this partnership.

Microsoft

Saksoft is a certified Partner with Microsoft, which enables us to deliver solutions based on Microsoft technologies. Saksoft will receive a host of benefits under this Partnership Program. Benefits include sales, marketing, training, technology, services, technology development programs, and the ability to purchase, use and distribute Microsoft course materials. Microsoft will also assist the Company with sales lead generation and support in the form of access to information, tools, templates and reports (e.g., the Partner Sales Management system).

Birst:

Birst brings the benefits of fact-based decision making to a much broader audience than ever before by providing enterprise-class analysis and reporting that is quick to deploy, easy to use, and affordable. Birst has built a robust, multi-tenant BI platform that would unify the traditionally siloed BI technologies, automate critical data management tasks, and greatly reduce complexity—speeding deployments and reducing overall costs. The platform delivers real BI—more than a simple charting engine for one or two data sources and one that did not assume that IT had already built a data infrastructure ready for analysis. The Birst Solution addresses a business' entire analytics needs across all data sources, transforming raw data to analysis-ready information. Saksoft is the go to partner for Birst in the UK.

Jaspersoft

Jaspersoft, the open source Business Intelligence solution, is the world's most widely used Business Intelligence suite for cost-effective reporting, dashboards and analytics. Acuma (Saksoft group company in UK) is the only UK partner to offer authorized Jaspersoft Training. In addition, Acuma offers end-to-end Jaspersoft services spanning licenses, consultancy, support and education making us an ideal Partner for our clients.

QlikTech:

QlikTech is the company behind QlikView, the leading Business Discovery platform that delivers user-driven business intelligence (BI). Its mission, "Simplifying decisions for everyone, everywhere," is about harnessing the real potential of data — big and small and unleashing its power to change the world. Saksoft is the partner for QlikTech in USA and UK. Saksoft has built some domain specific dashboards using QlikView product for some of its customers.

2.6 Our delivery centers

Saksoft has three global delivery centers in Chennai, Noida and Manchester. Between them, we use more than 120,000 sq. ft. of development space and have a seating capacity of 700+ people.

The Manchester center supports our UK customers with tools and application support. The center is also used to conduct custom built and public education in IM areas for our UK customers.

The Chennai center houses the corporate office and delivers our support, development and managed services operations. Chennai also has a dedicated center for one of our Credit Management clients.

The Noida center runs our Credit Management clients' international development and support projects. One of Saksoft's large clients uses all three centers for their entire outsourcing needs and Saksoft has established a dedicated connectivity between Saksoft offices and the client network in UK.

2.7 Quality assessments

Maintaining high degree of quality on whatever we commit to deliver to our valued customers is our core mantra and mission reverberated at all levels of our management. Your Company deploys various quality improvement measures/ techniques at every stage from the conceptualization of a project till commissioning and subsequently during the operation phases to identify areas of improvement and to develop action plans for achieving the desired level of quality in all of its activities.

2.8 Human Capital

Saksoft's HR philosophy attracts resources possessing strong technical and domain knowledge that is key to deliver greater value to our clients. The company values and rewards its employees in a fair manner through a robust performance management process and constantly focuses on training and career development initiatives to motivate employees who in turn will benefit the organization with increased productivity and enhanced delivery capabilities. Saksoft aims to build a strong commitment among the employees through various engaging initiatives and measurement tools to capture employee satisfaction scores over the year.

2.9 Sustainability Initiatives

CSR

Year on Year it is a tradition set by Saksoft which is being sacrosanctly followed to contribute to the society apart from the business. Saksoft perceives this thought to each and every employee and give them an opportunity to participate voluntarily across its various corporate social responsibility (CSR) initiatives. During the year, your company initiated a five day unique event "Experience the Joy of Giving" which drew stupendous response from our employees who donated graciously for the benefit of orphaned children. We also conducted an Eye Camp for the benefit of all our employees in association with leading Eye specialty hospital in Chennai and Noida. As part of our Employee engagement programme, a food carnival was organized where our employees displayed their cutlery skills and served variety of dishes at nominal costs. The total collections generated out of the food carnival was generously donated towards purchase of construction material for Child care orphanage home which accommodates children infected with HIV.

Resource efficiency

At Saksoft, we take steps to build resource efficiency by making our little contribution in reducing the impact on our environment. Our efforts in ensuring resource efficiency involve working toward conserving energy, reducing and reusing paper, reducing and recycling water and effective waste management.

3.0 Opportunities and Risks

3.1 Opportunities

Saksoft intends to focus on the following opportunities for its growth:

- Total Solutions support required by Small and Medium Enterprise customers
- Third Party deployment testing for e-commerce portals and product companies
- Mobile Development and Solution Provisioning on Mobile
- Information Management solutions in the areas of Dashboards, Analytics and Performance Management

3.2 Risks

Globalization, shifting demographics, rapidly accelerating technological changes, increased connectivity, economic uncertainty, growing multiplicity of extrinsic and intrinsic factors combine to make operating in this world unprecedentedly complex and challenging for corporations.

Economic

The economic risk landscape looks good but for a high probability of a fiscal crisis. In emerging economies, this fiscal uncertainty combined with slow growth in advanced economies implies increase in gross capital flows, fuelling asset bubbles. Such a bubble could lead to asset price collapse and severe damage to both emerging markets and the global economy. Economic disparity and global governance failures are also macroeconomic factors that might pose a risk to global businesses

Business

IT services market will continue to have the risks associated with large players climbing down the food chain to acquire the clients of niche companies such as Saksoft. In addition, rate pressures and economics of scale would continue to affect the way our business will grow. Longer term contracts, high efficiency execution, happy customers and running an agile organization are the methods by which we will mitigate these risks

Currency volatility

Global savings and investment imbalances are predicted to foster unsustainable current account imbalances, unsustainable levels of external debt and ultimately wide swings in foreign exchange rates. Since we at Saksoft operate businesses in multiple currencies, we plan to mitigate the unforeseen by entering into various forward contracts that could possibly even out the fluctuations.

People

With the job markets all set for a revival and the competitors all set to lure prospects with a bag of a benefits, the biggest challenge posed will be retention of talent. Saksoft will continue its people oriented policies and niche provider services to attract and retain the best talent

4.0 Internal Control Systems:

Adequate internal checks are built in to cover all monetary transactions. The Company's Internal Auditors conducts regular audits on quarterly basis and report to the Audit Committee their findings for the review. The Audit Committee reviews the suggestions and observations of the Internal Auditors and puts the same into action and reviews on a periodical basis. The terms of reference of the Audit Committee covers the areas mentioned in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956. The Company continues to lay emphasis on the recommendations of the Audit Committee. Your Directors believes that the internal control system established in the Company is operating effectively.

5.0 Financial Performance

Income

The total income of the Company comprises income from operations and other income. In FY 2012-13, income from operations was Rs.424.59 million as compared to Rs 415.43 million for the previous year. Exports contributed 72% of the income from operations. The income from other sources decreased from Rs 14.53 million to Rs.3.63 million.

The group revenues for the year 2012-13 are at Rs.1589.69 million.

Operating Profits

The group operating profit has increased significantly from Rs.143.05 Million to Rs.180.34 Million registering an impressive growth of 26.07%. There has been a marginal decrease in the Company's operating profit from Rs.96.28 million to Rs.84.17 Million largely due to currency fluctuations on account of volatile currency market.

Authorised share capital

The Company has an authorised share capital of Rs.20 Crores comprising of 20 million equity shares of Rs. 10/- each as of March 31, 2013.

Paid up Share Capital

The Company has a paid-up capital of Rs. 10.16 Crores, comprising of 10.16 million equity shares of Rs. 10/- each as of March 31, 2013.

Reserves and Surplus

As stipulated under the provision of the Companies Act, 1956 read with Companies (Tranfer to Reserves) Rules, 1975, your Directors have proposed to transfer 7.5% of the current profits to General Reserve out of the profits earned by the Company and there have been no additions to the securities premium account.

Secured Loan

During the year the secured loan outstanding was Rs.31.87 Million owing to cash credit facility secured by first charge on the current assets and unencumbered movable fixed assets of the Company.

Unsecured Loan

During the year the balance reduced to Rs.250 Million as against previous year balance of Rs.340 Million owing to repayments made during the year.

Fixed Assets

The company incurred capital expenditure to the tune of Rs.5.04 million compared to Rs.4.27 Million comprising additions to gross block, which was funded out of internal accruals. Net block of fixed assets stood at Rs.17.95 million as against Rs.24.28 million for the previous year.

Sundry Debtors

Sundry Debtors (net of provision) for the current year is at Rs.131.84 Million as against Rs.100.72 Million in the previous year.

Current Liabilities & Provisions

Sundry Creditors represent the amount payable to vendors and employees for supply of goods and services. Other liabilities comprise amounts due for operational expenses. Other liabilities stood at Rs. 5.72 million during the year ended March 31, 2013. Provisions of Rs.9.35 lakhs for employee retirement benefit relate to liability for gratuity benefits. For fiscal 2013, the Directors of the Company have proposed a cash dividend of Rs.2/- per share on equity shares.

Foreign exchange earnings and outgo

Foreign Exchange Earning : Rs. 307.46 Million

Foreign Exchange Outgo : Rs. 36.36 Million

Dividend

Your Directors recommend a Final dividend of Rs.2 per share (20% on the face value of Rs.10). The total dividend for the year ended 31st March 2013 is Rs.20.33 Million being twice the amount declared during the previous year. This dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Appropriations

As stipulated under the provision of the Companies Act, 1956 read with Companies (Tranfer to Reserves) Rules, 1975, your Directors have proposed to transfer 7.5% of the current profits to General Reserve out of the profits earned by the Company.

6.0 Employee Stock Options

During the year the Compensation committee cancelled the earlier grant of 30000 options under ESOP 2006 as the option grantee voluntarily surrendered the options owing to market conditions and subsequently granted 2,00,000 options under Employee Stock Option Plan 2006 on 13th June 2012 to eligible employee of Saksoft and its subsidiaries at the rate of Rs.45.05 per option.

Details that are required to be provided under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

For **Saksoft Limited**

Place: Chennai
Date: May 27, 2013

Aditya Krishna
Managing Director

RISK MANAGEMENT

Overview

The Management team at Saksoft perceives the risk management as a monitoring tool to identify, assess and mitigate various risks affecting and impacting the business. Further the risk management practices seek to sustain and enhance the long term competitive advantage for the Company. Risk management, more than being considered as an analyzing tool, is being treated, as an integral part of our business.

Structure of our Risk Management

Our risk management occurs across the enterprise at various levels. The key roles and responsibilities regarding risk management in the Company are as follows:

Level	Key roles and Responsibilities
Board of Directors	Oversight the risk management performed by the Executive Management
Risk Management Committee	Comprises of Executive Management viz., 1. Aditya Krishna – Managing Director 2. Niraj Kumar Ganeriwal – Chief Financial Officer 3. Sampath Rengachari – Executive Vice President 4. Dhiraj Mangla – Delivery Head, India
Role of Risk Management Committee	• Assisting the Board on identification of risk factors • Evaluation of Operational, Strategic and External Risk elements. • Mitigation of Risk • Monitoring the Risk Management practices • Periodic reviewing of Risk assessment • Formulation and deploying Risk Management policies • Providing updates to the Board from time to time

Categories of Risk

The Risk Management Committee broadens its views on the following list of risk elements as perceived by business.

Economy

The economic risk landscape looks good but for a high probability of a fiscal crisis. In emerging economies, this fiscal uncertainty combined with slow growth in advanced economies implies increase in gross capital flows, fuelling asset bubbles. Such a bubble could lead to asset price collapse and severe damage to both emerging markets and the global economy. Economic disparity and global governance failures are also macroeconomic factors that might pose a risk to global businesses.

Business

IT services market will continue to have the risks associated with large players climbing down the food chain to acquire the clients of niche companies such as Saksoft. In addition, rate pressures and economics of scale would continue to affect the way our business will grow. Longer term contracts, high efficiency execution, happy customers and running an agile organization are the methods by which we will mitigate these risks.

Currency volatility

Global savings and investment imbalances are predicted to foster unsustainable current account imbalances, unsustainable levels of external debt and ultimately wide swings in foreign exchange rates. Since we at Saksoft operate businesses in multiple currencies, we plan to mitigate the unforeseen by entering into various forward contracts that could possibly even out the fluctuations.

People

With the job markets all set for a revival and the competitors all set to lure prospects, the biggest challenge posed will be retention of talent. Saksoft will continue its people oriented policies and niche provider services to attract and retain the best talent.

Management perception of Risk Management:-

Risk identification

Identifying the risk forms the fulcrum of the risk management process since all our efforts are being tailored in countering and eliminating them successfully. As part of identification process mechanism are put in place which includes risk survey, risk scanning, In-depth analysis, detailed discussions across functions and internal audit findings. These mechanisms throw high level data which provide pointers for risk identification.

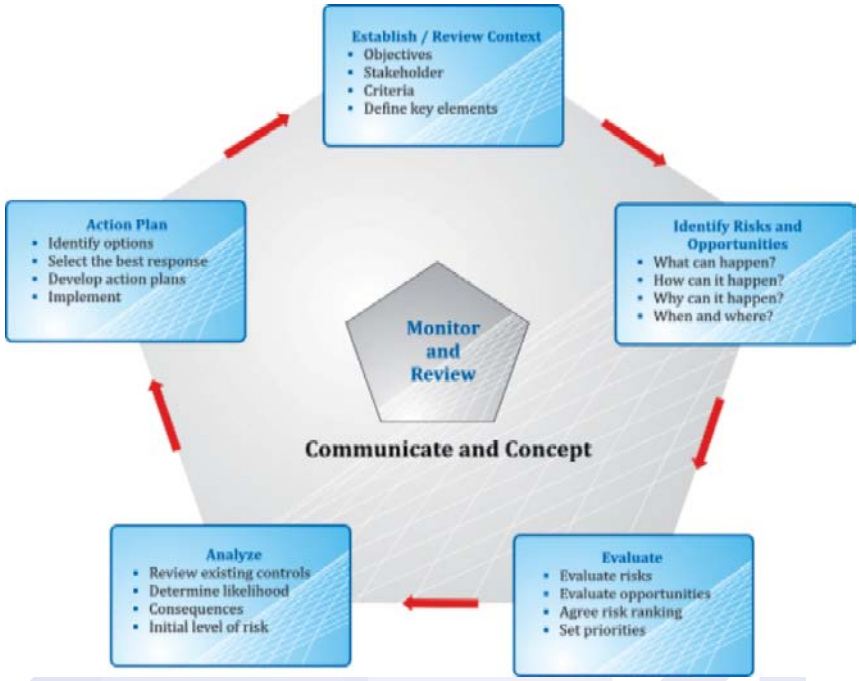
Risk Measurement

Once the risks are being identified, the risk management team focuses on dividing the risk level into high risk category, medium and low risk category. Undivided attention will be focussed on the high risk category items to ascertain the exposure and potential impact on the business and mitigation plans are put in place immediately. The medium and low risk categories are discussed with the process owners and ensured that adequate control systems are put in place to avoid redundancy..

Risk Reporting

The Risk Management Committee peruses the risk report outlining the level of the risk and analyses the trend, exposure and the significant impact it could make on the business and also derive comprehensive solutions to mitigate the same. Depending upon the severity level of the risk the Risk Management Committee brings it to the attention of the Board who shall deliberate on the actions to be adopted to minimize the impact on the business and are being used as inputs for devolving strategic and business plans.

The process flow of Risk Identification and the action plan revolving around it is depicted below:



Management perception on risk environment and key risk management activities of the year

The effect of the global economic slowdown on our clients and the resultant impact on our business seem to have gradually improved during the year. As major part of our revenues are being generated through overseas contracts, the Risk Management Committee perceives risk from the stand point of regulatory environment, Visa regulations and taxation which requires close monitoring and continuous assessment. Also the global currencies which attribute to our revenues demonstrated high volatility during the year. Our periodic quality assessment on credit and fervent follow up on collections has improved our credit risk indicators.

Risk assessments and review

We have put in place procedures to carry out risk management activities as described below which involves monitoring and mitigation at appropriate levels.

- Periodic assessment of business risks
- Assessment of Currency risk and mitigation plans viz., forward covers
- Constant updation of Visa rules.
- Analysis of order pipeline and top client revenues viz., MIS reporting
- Review of service delivery
- Adoption of Quality control measures Viz., OPTIMA

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of Saksoft Limited

We have examined the compliance of the conditions of Corporate Governance by Saksoft Limited ("the Company") for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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.

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

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

for ***Suri & Co.***
Chartered Accountants
Firm registration number: 004283S

S .Ganesan
Partner
Membership No: 018525

Place: Chennai
Date: May 27, 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/S. SAKSOFT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/S SAKSOFT LIMITED, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit & Loss, of the PROFIT for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 (''the order'') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
   e) on the basis of written representations received from the Directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

*for **Suri & Co.***
Chartered Accountants
Firm registration number: 004283S

S. Ganesan
Partner
Membership No: 018525

Place: **Chennai**
Date: **May 27, 2013**

ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in our report of even date)

(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. Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) The Company is a service Company, primarily rendering software development and support services. Accordingly it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.

(iii) a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus, paragraph 4(iii) (b), (c) and (d) of the Order is not applicable.

b. The Company has taken an unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs.340 million and the year end balance of such loan was Rs. 250 million.

c. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

d. The Company is regular in the repayment of principal amount as stipulated and has been regular in the payment of interest.

(iv) The Company has adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for sale of goods and services. During the course of audit, we have not observed any major weakness in internal control system.

(v) a. The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that are required to be entered in the register have been so entered.

b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained u/s 301 of the Companies Act,1956 has been made at prices, that are reasonable having regard to the prevalent market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) The Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the activities of the Company.

(ix) a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, 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.

ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in our report of even date)

b. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Cess 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 (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax dues	34,723,508	Financial Year 2008-09	Appeal to be filed before the CIT (A) Chennai on receipt of final order
The Finance Act 1994	Service Tax dues	32,609,738	October 2004 to March 2009	Customs, Excise & Service Tax Appellate Tribunal, Chennai.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) 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.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) Term loan has been utilized for the purpose for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

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

*for **Suri & Co.***
Chartered Accountants
Firm registration number: 004283S

S. Ganesan
Partner
Membership No: 018525

Place: Chennai

Date: May 27, 2013

BALANCE SHEET AS AT 31 MARCH 2013

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

	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Share Holders' Funds			
(a) Share Capital	2	101.65	101.65
(b) Reserves and Surplus	3	403.46	399.10
(2) Non-Current Liabilities			
(a) Long-Term borrowings	4	251.41	341.05
(b) Long-Term Provisions	5	12.56	11.82
(3) Current Liabilities			
(a) Short-Term Borrowings	6	31.87	–
(b) Trade payables		11.47	14.15
(c) Other Current Liabilities	7	5.72	7.31
(d) Short-Term Provisions	8	33.64	20.22
		851.78	**895.30**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	15.75	20.24
(ii) Intangible Assets	10	2.20	4.04
(b) Non-Current Investments	11	664.35	704.99
(c) Deferred Tax Assets (Net)	12	13.46	10.87
(d) Long term Loans and Advances	13	6.50	5.82
(2) Current Assets			
(a) Current Investments	14	–	0.89
(b) Trade Receivables	15	131.84	100.72
(c) Cash and cash equivalents	16	3.93	32.23
(d) Short-Term Loans and Advances	17	12.49	10.18
(e) Other Current assets	18	1.26	5.32
		851.78	**895.30**

See accompanying notes to the financial statements

Vide our report of even date attached

for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

S Ganesan
Partner
Membership No. 018525

Date: May 27, 2013
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

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

	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
Revenue			
I. Revenue from Operations			
Sales of services		424.59	415.43
II. Other Income	19	3.62	14.53
III.Total Revenue		**428.21**	**429.96**
Expenses			
Employee benefits expense	20	240.97	233.76
Finance Costs	21	32.22	28.76
Depreciation and amortization expense		11.38	14.99
Other expense	22	103.07	99.92
IV.Total Expenses		**387.64**	**377.43**
V. Profit before exceptional and extraordinary items		40.57	52.53
VI. Exceptional Items		–	–
VII.Profit before extraordinary items		40.57	52.53
VIII. Extraordinary Items		–	–
IX. Profit before Tax (PBT)		40.57	52.53
X. Tax Expense:			
(a) Current Tax		15.00	18.90
(b) Deferred Tax		(2.59)	(1.17)
XI. Profit/(loss) for the period [Profit After Tax (PAT)]		**28.16**	**34.80**
XII.Earnings per equity share of Rs. 10 each (in Rs.)			
(1) Basic		2.93	3.63
(2) Diluted		2.75	3.38

See accompanying notes to the financial statements

Vide our report of even date attached

for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

S Ganesan
Partner
Membership No. 018525

Date: May 27, 2013
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

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

		Year ended March 31, 2013	Year ended March 31, 2012
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	40.57	52.53
	Adjustments for:		
	Depreciation and amortisation	11.38	14.99
	(Profit) / Loss on sale of fixed assets, net	(0.14)	(0.05)
	(Written back)/Provided provision for bad and doubtful debts	–	(2.11)
	Interest and other Income	(0.20)	(0.95)
	Dividend income	(0.14)	(0.42)
	Interest and Finance charges	32.22	28.76
	Unrealised foreign exchange loss/ (gain), net	1.43	(1.56)
	Operating capital before working capital changes	**85.12**	**91.19**
	(Increase)/ decrease in sundry debtors	(33.38)	19.20
	(Increase)/ decrease in other current assets, loans and advances	4.21	0.25
	Increase/(decrease) in current liabilities and provisions	(3.07)	(0.72)
	Cash generated from operations	**52.88**	**109.92**
	Taxes paid, net	(18.23)	(9.55)
	Net cash flow from operating activities	**34.65**	**100.37**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed asset	(5.04)	(4.27)
	Proceeds from sale of Fixed assets	0.14	0.26
	Interest and other Income	0.20	0.49
	Sale / (Purchase) of Mutual funds units, (net)	0.89	(0.62)
	Change in Long Term Investments	40.64	(32.19)
	Dividend income Received	0.14	0.42
	Net cash flow from Investing activities	**36.97**	**(35.91)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

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

		Year ended March 31, 2013	Year ended March 31, 2012
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (repayment) of Long term borrowings	(56.88)	(4.10)
	Interest and Finance charges	(32.22)	(28.77)
	Proceeds from allotment of shares	–	1.11
	Dividend paid	(11.81)	(11.78)
	Net cash flow from Financing activities	**(100.91)**	**(43.54)**
D	**EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS**	**0.99**	**0.46**
	Net (Decrease)/ Increase of cash and cash equivalents (A+B+C+D)	**(28.30)**	**21.38**
	Cash and cash equivalents at the beginning of the year	32.23	10.85
	Cash and cash equivalents at the end of the year	**3.93**	**32.23**

See accompanying notes to the financial statements

Vide our report of even date attached

for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

S Ganesan
Partner
Membership No. 018525

Date: May 27, 2013
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Note-1: Significant accounting policies

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company. 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 consulting, design, development, re-engineering, systems integration, implementation and testing.

II. 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 under Section 211 (3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of the 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. Tangible fixed assets, 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 is provided on the straight line method at rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets whichever is higher as follows:

Description	Rate of depreciation
Plant and machinery	20%
Computer equipments	20%
Furniture and fixtures	20%
Office equipments	20%
Vehicles	20%
Electrical installations	20%

Individual assets costing Rs 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 PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

II. Significant accounting policies (Continued)

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 exits, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of an assets 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.

In accordance with the announcement of "Accounting for Derivatives" made by the Institute of Chartered Accountants of India ('ICAI') on 29 March 2008, derivatives are marked to market and the changes in the value of such derivatives, to the extent they reflect a loss, are recognized in profit or 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 the milestones achieved as specified in the contracts on percentage of completion basis.

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

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

Interest income is recognized on the time proportionate method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

II. Significant accounting policies (Continued)

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 and leave is not allowed to be encashed. 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.

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.

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

II. Significant accounting policies (Continued)

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 2: Share Capital		
A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
20,000,000 Equity Shares of Rs.10 each	200.00	200.00
Issued & Subscribed & Paid-up:		
10,165,000 Equity Shares of Rs.10 each	101.65	101.65
Total	**101.65**	**101.65**
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Outstanding as at the beginning of the year	10,165,000	10,140,000
Add:		
Shares allotted to employees pursuant to ESOP 2009	–	25,000
Outstanding as at the end of the year	**10,165,000**	**10,165,000**

(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

Sl.No.	Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
		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	3,673,070	36.13%	3,665,070	36.06%
2	Sak Industries Private Limited	3,000,000	29.51%	3,000,000	29.51%
3	Saksoft Employees Welfare Trust	554,960	5.46%	554,960	5.46%
	Total	**7,228,030**	**71.10%**	**7,220,030**	**71.03%**

(E) Shares reserved for issue under options and contracts [Refer Note - 23(h)]

Sl.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: 475,000 Options)	Employees	ESOP 2009

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 3: Reserves and Surplus		
(A) Securities Premium Reserve		
Opening balance	74.48	73.63
Add: Additions during the year	–	0.86
Closing balance	**74.48**	**74.49**
(B) Other Reserves :		
(i) General Reserve		
Opening Balance	36.10	33.99
Add: Amount transferred from Surplus in Statement of Profit and Loss	–	–
Closing Balance	**36.10**	**33.99**
(C) Surplus in Statement of Profit and Loss		
Opening balance	**290.62**	**267.64**
Add: Profit for the year	28.16	34.80
Total	**318.78**	302.44
Appropriations :		
– Transfer to General Reserve	2.11	–
– Proposed Dividend -	20.33	10.17
Amount per Share Rs. 2 (Previous Year Re. 1 per share)		
Tax on proposed Dividend	3.46	1.65
Total	**25.90**	**11.82**
Net Surplus in Statement of Profit and Loss	**292.88**	**290.62**
	403.46	**399.10**
Note 4 : Long Term Borrowings		
(A) Term Loans		
From Banks - Secured		
Secured by hypothecation of vehicle purchased	1.06	–
Repayment Terms:		
Principal amount repayable as per the EMI Schedule given by the bank with an interest rate of 10.50% Period and amount of continuing default: NIL		
(B) Loans and Advances from Related Parties		
Unsecured	250.00	340.00
From Sak Industries Private Limited		
Repayment Terms:		
The Loan is repayable in full by 9th September 2016. Period and amount of continuing default: NIL		
(C) Long Term Maturities of Finance Lease Obligations		
Secured	0.35	1.05
Secured by hypothecation of cars taken on lease	**251.41**	341.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 5 : Long Term Provisions		
Provision for Gratuity	**6.72**	7.22
Rent Straight lining	**5.84**	4.60
	12.56	**11.82**
Note 6 : Short Term Borrowings		
Loans Repayable on Demand		
From Banks - Secured		
Secured by first charge on the current assets, unencumbered movable fixed assets of the company and the personal guarantee of the Managing Director	31.87	–
Period and amount of default : NIL		
	31.87	**–**
Note 7 : Other Current Liabilities		
Current maturities of long term loans	0.81	–
Current maturities of finance lease obligations	0.76	0.68
Interest accrued but not due on borrowings	–	2.21
Income received in advance	0.64	0.93
Unclaimed Dividend	0.23	0.13
Other payables:		
Tax deducted at source	1.62	1.68
Professional tax	0.06	0.03
Provident Fund	1.60	1.65
	5.72	**7.31**
Note 8 : Short Term Provisions		
Employee benefits	9.35	8.41
Rent Straight lining	**0.50**	**–**
Provision for proposed dividends (including dividend distribution tax)	23.79	11.81
	33.64	**20.22**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Note 9 : Tangible 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, 2012	Additions	Disposals	As at March 31, 2013	As at March 31, 2012	Depreciation for the year	Deductions during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
1. Plant & Equipment										
- Owned	57.57	1.28	4.77	54.08	52.77	2.27	4.78	50.26	3.82	4.80
2. Furniture & Fixtures										
- Owned	15.71	–	–	15.71	14.55	0.70	–	15.25	0.46	1.16
3. Vehicles										
- Owned	0.17	3.30	–	3.47	0.12	0.52	–	0.64	2.83	0.05
- Leased	2.68	–	–	2.68	1.07	0.61	–	1.68	1.00	1.61
4. Office equipments										
- Owned	28.96	0.46	–	29.42	16.34	5.44	–	21.78	7.64	12.62
Total	**105.09**	**5.04**	**4.77**	**105.36**	**84.85**	**9.54**	**4.78**	**89.61**	**15.75**	**20.24**
Previous year	103.59	4.27	2.77	105.09	74.27	13.14	2.56	84.85	20.24	

Note 10 : 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 amortization				Net Carrying Amount	
	As at March 31, 2012	Additions	Disposals	As at March 31, 2013	As at March 31, 2012	Amortization for the year	Deductions during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
1. Computer software										
- Acquired	9.76	–	–	9.76	5.72	1.84	–	7.56	2.20	4.04
2. Intellectual property right										
- Acquired	4.50	–	–	4.50	4.50	–	–	4.50	–	–
Total	**14.26**	**–**	**–**	**14.26**	**10.22**	**1.84**	**–**	**12.06**	**2.20**	**4.04**
Previous year	14.26	–	–	14.26	8.37	1.85	–	10.22	4.04	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Face value (fully paid up)	As at March 31, 2013		As at March 31, 2012	
		No. of shares / units	Cost	No. of shares / units	Cost
Note 11 : 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	25,000	1.20	25,000	1.20
Saksoft Investments Private Limited, United Kingdom	GBP 1	5,001,000	434.45	5,001,000	434.45
Synetairos Technologies Limted*	INR 10	64,341	24.10	85,788	32.14
(ii) In Joint Venture					
Sofgen Testing Pvt Ltd	INR 10	5,000	0.05	5,000	0.05
Total		**5,845,343**	**488.21**	**5,866,790**	**496.25**
*21,447 Equity shares have been redeemed by Synetairos Technologies Limited during the year					
2. Preference Shares					
5% redeemable preference shares					
Saksoft Investments Private Limited(SIPL), United Kingdom#	GBP 1	2,026,000	176.14	24,01,000	208.74
Total		**2,026,000**	**176.14**	**24,01,000**	**208.74**
#375,000 preference shares have been redeemed by SIPL during the year					
Total		**7,871,343**	**664.35**	**8,267,790**	**704.99**

Particulars	As at March 31, 2013	As at March 31, 2012
Note 12 : Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	8.45	6.77
Retirement Benefits	2.83	2.61
Other tax disallowances	2.18	1.49
	13.46	**10.87**
Note 13 : Long Term Loans and Advances		
(A) Security Deposits		
(i) Unsecured, Considered good	6.23	5.55
(B) Others		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	6.50	**5.82**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Face value (fully paid up)	As at March 31, 2013		As at March 31, 2012	
		No. of shares / units	Cost	No. of shares / units	Cost
Note 14 : Current Investments					
Non-Trade - Unquoted					
In Liquid Mutual Fund Units					
DWS Insta cash plus fund - Regular	Rs 10/unit				
Opening balance		88,705	0.89	27,287	0.27
Additions during the year		5,613,354	56.42	16,168,305	162.52
Deletions during the year		(5,702,059)	(57.31)	(16,106,887)	(161.90)
Closing balance		–	–	88,705	0.89
Total					**0.89**
Aggregate fair value of unquoted investments					
Current year (31 March 2013)					–
Previous year (31 March 2012)					0.89

Particulars	As at March 31, 2013	As at March 31, 2012
Note 15 : Trade Receivables		
(A) Debts outstanding for a period exceeding six months		
(i) Unsecured, Considered good	0.64	14.64
	0.64	**14.64**
(B) Others		
(i) Unsecured, Considered good	131.20	86.08
	131.20	**86.08**
	131.84	**100.72**
Note 16 : Cash and cash equivalents		
(A) Balance with Banks		
(i) Balance in Current account	3.47	16.76
(ii) In Deposit accounts		
- With Maturity within 12 months	0.03	15.11
- With Maturity after 12 months	0.16	0.19
(iii) Unpaid dividend accounts	0.23	0.13
(B) Cash on hand	0.04	0.04
	3.93	**32.23**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 17 : Short Terms Loans and Advances		
Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	9.04	6.28
Balance with service tax authorities	0.68	0.51
Prepaid Expenses	2.24	2.66
Employee Advances	0.23	0.35
Advances to Supplier	0.30	0.38
	12.49	**10.18**
Note 18 : Other Current Assets		
Interest accrued but not due on fixed deposits	0.04	0.22
Unbilled Revenue	1.22	5.10
	1.26	**5.32**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Note 19 : Other Income		
(A) Income from current investments		
Dividends	0.14	0.42
	0.14	**0.42**
(B) Others		
Exchange Fluctuation	2.97	10.32
Interest income	0.20	0.95
Provision no longer required written back	–	2.11
Profit on Sale of Assets	0.13	0.05
Profit on redemption of non current investments	0.13	–
Miscellaneous Receipts	0.05	0.68
	3.48	**14.11**
	3.62	**14.53**
Note 20 : Employee Benefits Expense		
Salaries and wages	222.52	213.45
Contribution to Provident and other funds	11.08	11.06
Staff Welfare Expenses	7.37	9.25
	240.97	**233.76**
Note 21 : Finance Costs		
Interest Expense	30.83	28.33
Other borrowing cost	1.39	0.43
	32.22	28.76
Note 22 : Other Expenses		
Rent	19.83	17.94
Travel and conveyance	27.67	20.05
Insurance	0.76	0.63
Rates and Taxes	0.73	0.21
Power and Fuel	12.97	9.35
Repairs to Buildings	7.84	8.18
Repairs to Plant	1.37	2.05
Communication Expenses	4.15	3.82
Payment to statutory auditors		
- As Auditors	0.70	0.70
- For Tax Audit	0.18	0.18
- For Certification	0.18	0.10
- For Taxation matters	0.32	0.08
- Reimbursement of expenses	0.05	0.04
Legal, Professional and consultancy charges	21.26	31.89
Bad debts written off	2.37	2.08
Advertisement, Publicity and Sale Promotion	0.55	0.71
Miscellaneous expenses	2.14	1.91
	103.07	**99.92**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

23. Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Income-tax matters	34.72	26.70
Service-tax matters	32.61	32.61

b. Finance lease obligations

Particulars	As at March 31, 2013	As at March 31, 2012
Future obligations for assets taken on lease		
Not later than 1 year	0.91	0.93
Later than 1 year but not later than 5 years	0.39	1.26
	1.30	**2.19**
Less: Amounts representing future interest		
Not later than 1 year	0.15	0.28
Later than 1 year but not later than 5 years	0.04	0.17
	0.19	**0.45**
Present value of minimum lease rentals		
Not later than 1 year	0.76	0.65
Later than 1 year but not later than 5 years	0.35	1.09
	1.11	**1.74**

c. Earnings in foreign currency

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Income from software services	307.46	290.15

d. Expenditure in foreign currency

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, travel and other expenses	36.36	33.86

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

23. Additional notes (Continued)

e. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Abrasives Limited Sakserve Private Limited Saksoft Limited Employees Welfare Trust Saksoft Limited Employees Gratuity Trust Sonnet Investments Private Limited. Sak Industries Pte Ltd
Subsidiaries and step down subsidiaries	Saksoft Inc, USA Saksoft Pte Ltd, Singapore Saksoft GmbH, Germany Saksoft Investments Private Limited, UK Acuma Solutions Limited, UK Acuma Software Limited, UK Electronic Data Professionals, USA Synetairos Technologies Limited
Key Management Personnel	Mr Aditya Krishna – Managing Director

Transactions entered during the year

Description	Year ended March 31, 2013	Year ended March 31, 2012
Revenues		
Acuma Solutions Limited, United Kingdom	89.94	54.46
Saksoft Inc, USA	197.00	208.72
Saksoft Pte Limited, Singapore	9.92	20.55
Synetairos Technologies Limited,India	2.80	12.57
Reimbursement of expenses (Net)		
Acuma Solutions Limited, United Kingdom	4.41	4.41
Saksoft Inc, USA	3.46	8.73
Saksoft Pte Limited, Singapore	1.40	2.68
Sak Abrasives Limited	0.73	0.77
Rent expense		
Sak Industries Private Limited	5.99	5.70
Interest on loan		
Sak Industries Private Limited	29.11	28.02
Borrowings/(Repayment), net		
Sak Industries Private Limited	(90.00)	-
Investment/(Redemption) made during the year		
Synetairos Technologies Limited, India	-	32.14
Redemption of shares during the year – Synetairos Technologies Limited	(8.04)	-
Redemption of 5% Redeemable Preference shares of Saksoft Investments Private Limited, United Kingdom	(32.60)	-
Key management Personnel		
Managerial remuneration		
Mr Aditya Krishna – Managing Director	3.00	3.00

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

23. Additional notes (Continued)

e. Related party disclosures (Continued)

Year end balances

Description	As at March 31, 2013	As at March 31, 2012
Investments		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft GmbH, Germany	1.20	1.20
Saksoft Investments Private Limited, United Kingdom	610.59	643.19
Synetairos Technologies Limited, India	24.10	32.14
Sofgen Testing Services Private Limited, India	0.05	0.05

Year end balances

Description	As at March 31, 2013	As at March 31, 2012
Receivables		
Acuma Solutions Limited, United Kingdom	45.63	5.30
Saksoft Inc, USA	53.83	48.21
Saksoft Pte Limited, Singapore	7.87	27.71
Synetairos Technologies Limited	0.30	1.98
Loans and advances		
Saksoft Inc, USA	0.60	0.07
Saksoft Pte Limited, Singapore	-	2.08
Sak Abrasives Limited	0.17	-
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Sakserve Private Limited	0.02	0.02
Accounts payable		
Sak Industries Private Limited, India	0.20	-
Acuma Solutions Limited, United Kingdom	0.19	0.19
Borrowings		
Sak Industries Private Limited	250.00	342.31

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

23. Additional notes (Continued)

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, 2013	Year ended March 31, 2012
Revenue		
India	114.32	112.43
United Kingdom	89.95	54.46
USA	197.00	208.72
Singapore	9.92	20.55
Rest of the world	13.40	19.27
	424.59	**415.43**

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, 2013	Year ended March 31, 2012
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**9.83**	**9.51**
Current service cost	2.48	2.74
Interest cost	0.99	0.94
Actuarial losses/ (gain)	(1.87)	(1.63)
Past service cost	-	-
Benefits paid	(1.18)	(1.73)
Closing defined benefit obligation	**10.25**	**9.83**
Change in fair value of assets		
Opening fair value of plan assets	**2.61**	**2.16**
Expected return on plan assets	0.26	0.23
Actuarial gain/ (losses)	(0.16)	(0.05)
Contribution by Employers	2.00	2.00
Benefits paid	(1.18)	(1.73)
Closing fair value of plan assets	**3.53**	**2.61**
Liability recognised in the balance sheet	**6.72**	**7.22**

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

23. Additional notes (Continued)

g. Gratuity (Continued)

Reconciliation of benefit obligation and plan assets (Continued)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Expense recognized in the profit and loss account		
Current service cost	2.48	2.74
Interest cost on defined benefit obligation	0.99	0.94
Expected return on plan assets	(0.27)	(0.23)
Net Actuarial losses / (gains) recognised in a year	(1.71)	(1.58)
Part service cost	-	-
Net gratuity cost	**1.49**	**1.87**
Actual return on plan assets	**0.11**	**0.17**
Assumptions		
Discount rate	7.95%	8.45%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	10% for first 2 years & 7% thereafter

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

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 issued in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is administered by the Saksoft Employees Welfare Trust ('the Trust) through the compensation 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 has allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 27,500 options under this Plan and accordingly, 554,960 equity shares of Rs 10 each represent shares held by the Trust. During the year the Compensation Committee had granted 2,00,000 options under ESOP 2006 at the rate of Rs.45.05 per option.

23. Additional notes (Continued)

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

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Options outstanding at the beginning of the year	40,000	50,500
Options granted during the year	2,00,000	-
Options exercised during the year	-	-
Options forfeited during the year	(10,000)	-
Options lapsed during the year	(30,000)	(10,500)
Options outstanding at the end of the year	**2,00,000**	**40,000**

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company during the year under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan issued in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 received the consent of the shareholders in December 2009.

The plan considers an aggregate of 5,00,000 options to be vested and exercised in accordance with the ESOP 2009 plan as approved by the Compensation Committee. The outstanding options available for vesting under the ESOP 2009 as on 31st March 2013 is 3,75,000 options.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Options outstanding at the beginning of the year	475,000	400,000
Options granted during the year	-	100,000
Options exercised during the year	-	(25,000)
Options forfeited during the year	-	-
Options lapsed during the year	100,000	-
Options outstanding at the end of the year	**375,000**	**475,000**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

23. Additional notes (Continued)

i. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Earnings		
Net profit for the year	28.16	34.80
Shares		
Equity shares as at the balance sheet date	10,165,000	10,165,000
Less: Shares held by Saksoft employees welfare trust	554,960	554,960
Total number of equity shares outstanding at the end of the year – Basic	**9,610,040**	**9,610,040**
Weighted average number of equity shares outstanding as at the end of the year	**9,610,040**	**9,587,123**
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year.	9,610,040	9,587,123
Add: Shares held by Saksoft employees welfare trust	554,960	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	62,647	117,332
Weighted average number of equity shares outstanding during the year – Diluted	**10,227,647**	**10,259,415**
Earnings per share of par value Rs.10 – Basic (Rs.)	2.93	3.63
Earnings per share of par value Rs.10 – Diluted (Rs.)	2.75	3.39

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 March 31, 2013. There are no overdue principle amounts and therefore no interest is paid or payable.

k. Prior year comparatives have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report attached
for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

For and on behalf of the Board of Directors

S Ganesan
Partner
Membership No: 18525

Aditya Krishna
Managing Director

R Rajagopalan
Director

Date: May 27, 2013
Place: Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

2012-13

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF M/S. SAKSOFT LIMITED

We have audited the accompanying consolidated financial statements of M/S SAKSOFT LIMITED and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

We did not audit the financial statements and other financial information of certain subsidiaries, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial statements include assets of Rs. 901.37 million as at 31st March 2013, and revenues of Rs. 1,459.70 million in respect of the aforementioned subsidiaries for the year then ended.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

ii. in the case of the consolidated Statement of Profit and Loss, of the PROFIT for the year ended on that date; and

iii. in the case of the consolidated Cash Flows Statement, of the cash flows for the year ended on that date.

*for **Suri & Co.***
Chartered Accountants
Firm registration number: 004283S

S Ganesan
Partner
Membership No: 018525

Place: Chennai
Date: May 27, 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

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

	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Share Holders' Funds			
(a) Share Capital	2	101.65	101.65
(b) Reserves and Surplus	3	644.55	556.93
(2) Non-Current Liabilities			
(a) Long-Term borrowings	4	427.69	470.12
(b) Long-Term Provisions	5	12.56	12.75
(3) Current Liabilities			
(a) Short- Term Borrowings	6	64.05	–
(b) Trade payables		154.16	106.89
(c) Other Current Liabilities	7	207.69	128.54
(d) Short-Term Provisions	8	45.98	24.58
		1,658.33	**1,401.46**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	19.87	23.33
(ii) Intangible Assets	10	895.96	836.70
(b) Deferred Tax Assets (Net)	11	13.91	11.40
(c) Long term Loans and advances	12	10.31	7.84
(2) Current Assets			
(a) Current Investments	13	8.45	0.89
(b) Trade Receivables	14	490.92	243.00
(c) Cash and cash equivalents	15	92.23	129.29
(d) Short-Term Loans and advances	16	119.51	111.57
(e) Other Current assets	17	7.17	37.44
		1,658.33	**1,401.46**

See accompanying notes to the 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

S Ganesan
Partner
Membership No: 018525

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

Date: May 27, 2013
Place : Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

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

	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
Revenue			
I. Revenue from Operations			
Sales of services		1,589.69	1,227.84
II. Other Income	18	7.75	10.49
III. Total Revenue		**1,597.44**	**1,238.33**
Expenses			
Employee benefits expense	19	706.04	564.05
Finance Costs	20	42.33	36.18
Depreciation and amortization expense		14.20	16.83
Other expenses	21	711.06	531.23
IV. Total Expenses		**1,473.63**	**1,148.29**
V. Profit before exceptional and extraordinary items		123.81	90.04
VI. Exceptional Items		-	-
VII. Profit before extraordinary items		123.81	90.04
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT)		123.81	90.04
X. Tax Expense:			
(a) Current Tax		17.27	20.74
(b) Deferred Tax		(2.51)	(0.87)
XI. Profit/(loss) for the period [Profit After Tax (PAT)		**109.05**	**70.17**
XII. Earnings per equity share of Rs.10 each (in Rs.)			
(1) Basic		11.35	7.32
(2) Diluted		10.67	6.84

See accompanying notes to the 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

S Ganesan
Partner
Membership No: 018525

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

Date: May 27, 2013
Place : Chennai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

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

		Year ended March 31, 2013	Year ended March 31, 2012
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax:	123.82	90.04
	Adjustments for:		
	Depreciation and amortisation	14.17	16.83
	(Profit)/Loss on sale of fixed assets, net	(0.15)	0.44
	Provision for bad and doubtful debts /(Write back)	–	(1.24)
	Dividend and Interest Income	(0.69)	(2.40)
	Interest and Finance charges	42.34	36.18
	Unrealised foreign exchange loss/ (gain), net	(0.95)	(10.42)
	Operating profit before working capital changes	**178.54**	**129.43**
	(Increase)/ decrease in sundry debtors	(247.93)	(0.63)
	(Increase)/ decrease in other current assets, loans and advances	20.24	(30.91)
	Increase/(decrease) in current liabilities and provisions	135.66	47.78
	Cash generated from operations	**86.51**	**145.67**
	Taxes paid, net	(17.67)	(29.11)
	Net Cash flow from operating activities	**68.84**	**116.56**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed asset	(8.78)	(7.58)
	Proceeds from sale of Fixed assets	0.29	1.51
	Purchase of Mutual funds units (Net)	(7.56)	(162.52)
	Sale of Mutual funds units	–	161.90
	Dividend income received and Interest income	0.69	2.40
	Increase on account of goodwill on consolidation	(61.80)	–
	Net cash flow from Investing activities	**(77.16)**	**(4.29)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

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

		Year ended March 31, 2013	Year ended March 31, 2012
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (repayment) of borrowings	21.62	(17.22)
	Interest and Finance charges paid	(42.34)	(36.18)
	Proceeds from allotment of shares	–	1.11
	Dividend and Dividend tax paid	(11.81)	(11.78)
	Net cash flow from Financing activities	**(32.53)**	**(64.07)**
D.	**EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY**	**2.83**	**(4.74)**
	Net (decrease)/ increase of cash and cash equivalents (A+B+C+D)	**(38.02)**	**43.45**
	Cash and cash equivalents at the beginning of the year	129.29	85.84
	Cash and cash equivalents at the end of the year	**91.27**	**129.29**

See accompanying notes to the financial statements.

Vide our report of even date attached

for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

S Ganesan
Partner
Membership No: 018525

Date: May 27, 2013
Place : Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Managing Director

R Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Note-1: Significant accounting policies

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company. 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 consulting, design, development, re-engineering, systems integration, implementation and testing. 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 Subsidiaries of Saksoft Inc:		
Electronic Data Professionals	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft GmbH	Germany	100%
Saksoft Investments Private Limited	United Kingdom	100%
Synetairos Technologies Limited	India	100%
Step down Subsidiaries of Saksoft Investments Private Limited:		
Acuma Solutions Limited	United Kingdom	100%
Acuma Software Limited	United Kingdom	100%

II. 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 under Section 211 (3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of the India ('SEBI').

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 Accounting Standard (AS) 21, 'Consolidated Financial Statements'.

The financial statements of Saksoft Limited – the parent Company, Saksoft Inc., Saksoft Pte Ltd, Saksoft GmbH, Saksoft Investments Private Limited, and Synetairos Technologies Limited 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 identified that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Profit and Loss Account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

II. Significant accounting policies (Continued.)

b. Principles of Consolidation (Continued)

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. Tangible fixed assets, 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 is provided on the straight line method at rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets whichever is higher as follows:

Description	Rate of depreciation
Plant and machinery	20%
Computer equipments	20%
Furniture and fixtures	20%
Office equipments	20%
Vehicles	20%
Electrical installations	20%

Individual assets costing Rs 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

II. Significant accounting policies (Continued)

f. Leases (Continued)

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 exits, the Group estimates the recoverable amount of the asset. Recoverable amount is the higher of an assets 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.

- 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.

In accordance with the announcement of “Accounting for Derivatives” made by the Institute of Chartered Accountants of India (‘ICAI’) on 29 March 2008, derivatives are marked to market and the changes in the value of such derivatives, to the extent they reflect a loss, are recognized in profit or 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 the milestones achieved as specified in the contracts on percentage of completion basis.

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

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

Interest income is recognized on the time proportionate method.

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

II. Significant accounting policies (Continued)

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 and leave is not allowed to be encashed. 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.

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

II. Significant accounting policies (Continued)

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 PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 2: Share Capital		
A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
200,00,000 Equity Shares of Rs.10 each	200.00	200.00
Issued & Subscribed & Paid-up:		
101,65,000 Equity Shares of Rs.10 each	101.65	101.65
Total	**101.65**	**101.65**
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Outstanding as at the beginning of the year	10,165,000	10,140,000
Add:		
Shares allotted to employees pursuant to ESOP 2009	–	25,000
Outstanding as at the end of the year	**10,165,000**	**10,165,000**

(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

Sl.No	Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
		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	3,673,070	36.13%	3,665,070	36.06%
2	Sak Industries Private Limited	3,000,000	29.51%	3,000,000	29.51%
3	Saksoft Employees Welfare Trust	554,960	5.46%	554,960	5.46%
	Total	**7,228,030**	**71.10%**	**7,220,030**	**71.03%**

(E) Shares reserved for issue under options and contracts (Refer Note -22 (f))

Sl. 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	3,75,000 Options (PY: 4,75,000 Options)	Employees	ESOP 2009

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 3: Reserves and Surplus		
(A) Securities Premium Reserve		
Opening balance	74.49	73.63
Add: Additions during the year	–	0.86
Closing balance	**74.49**	**74.49**
(B) Other Reserves :		
(i) General Reserve		
Opening Balance	33.99	33.99
Add: Amount transferred from Surplus in Statement of Profit and Loss	2.11	–
Closing Balance	**36.10**	**33.99**
(ii) Foreign Currency Translation Reserve	**(26.68)**	**(29.04)**
(C) Surplus in Statement of Profit and Loss :		
Opening balance	477.49	419.14
Profit for the year	109.05	70.17
Total	**586.54**	**489.31**
Appropriations :		
– Transfer to General Reserve	2.11	–
– Proposed Dividend -	20.33	10.17
Amount per Share Rs. 2 (Previous Year Re. 1 per share)		
Tax on proposed Dividend	3.46	1.65
Total	**25.90**	**11.82**
Net Surplus in Statement of Profit and Loss	**560.44**	**477.49**
	644.55	**556.93**
Note 4 : Long Term Borrowings		
(A) Term Loans		
From Banks - Secured	1.06	-
Secured by hypothecation of vehicle purchased		
Repayment Terms:		
Principal amount repayable as per the EMI		
Schedule given by the bank with an interest rate of 10.50%		
Period and amount of continuing default: NIL		
(B) Loans And Advances From Related Parties		
Unsecured		
(i) From Sak Industries Private Limited	250.00	340.00
Repayment Terms:		
The Loan is repayable in full by 9th September 2016.		
Period and amount of continuing default: NIL		
(ii) From Sak Industries Pte. Limited	176.28	129.07
Repayment Terms:		
Rs.7,65,24,000/- payable in full before 26th December 2015 and for balance there is no fixed repayment schedule.		
Period and amount of continuing default: NIL		
(C) Long Term Maturities of Finance Lease Obligations		
Secured	0.35	1.05
Secured by hypothecation of cars taken on lease		
	427.69	**470.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 5 : Long Term Provisions		
Provision for Gratuity	6.72	8.15
Rent Straight lining	5.84	4.60
	12.56	**12.75**
Note 6 : Short Term Borrowings		
Loans Repayable on Demand		
From Banks - Secured	64.05	–
Secured by first charge on the current assets and unencumbered movable fixed assets of the company , and personal gurantee of the Managing Director .		
Period and amount of default : NIL	**64.05**	**–**
Note 7 : Other Current Liabilities		
Current maturities of long term loans	0.81	–
Current maturities of finance lease obligations	0.76	0.68
Interest accrued but not due on borrowings	1.03	3.56
Income received in advance	155.02	107.92
Unpaid Dividend	0.23	0.13
Other payables:		
Service tax	25.84	8.83
Tax deducted at source	6.96	5.17
Professional tax	0.06	0.02
Provident fund	1.95	2.23
Others *	15.03	–
	207.69	**128.54**
* Amount payable to erstwhile share holders of EDP pursuant to share purchase agreement		
Note 8 : Short Term Provisions		
Employee benefits	20.96	12.76
Rent Straight lining	1.23	–
Provision for proposed dividends (including dividend distribution tax)	23.79	11.82
	45.98	**24.58**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Note 9 : Tangible 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, 2012	Translation / Consolidation Adjustment	Disposals	Deductions during the year	As at March 31, 2013	As at March 31, 2012	Translation / Consolidation Adjustment	Depreciation for the year	Deductions during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
1. Plant & Equipment												
- Owned	94.59	0.03	3.68	4.77	93.53	87.57	(0.33)	4.79	4.77	87.26	6.27	7.02
2. Furniture & Fixtures												
- Owned	51.76	(0.06)	1.30	–	53.00	50.61	0.02	0.73	–	51.36	1.64	1.15
3. Vehicles												
- Owned	0.70	–	3.31	0.53	3.48	0.48	–	0.55	0.39	0.64	2.84	0.22
- Leased	2.68	–	–	–	2.68	1.08	–	0.62	–	1.70	0.98	1.60
4. Office equipments												
- Owned	34.32	0.03	0.51	–	34.86	20.98	0.08	5.66	–	26.72	8.14	13.34
Total	**184.05**	**(0.00)**	**8.80**	**5.30**	**187.55**	**160.72**	**(0.23)**	**12.35**	**5.16**	**167.68**	**19.87**	**23.33**
Previous year	174.79	6.69	6.45	3.88	184.05	143.52	5.35	14.67	2.82	160.72	23.33	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Note 10 : 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 Amortization					Net Carrying Amount	
	As at March 31, 2012	Translation / Consolidation Adjustment	Additions	Disposals	As at March 31, 2013	As at March 31, 2012	Translation / Consolidation Adjustment	Amortization for the year	Deductions during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
1. Goodwill												
- Goodwill on consolidation	832.90	(1.40)	61.81	–	893.31	–	–	–	–	–	893.31	832.90
- Acquired Goodwill	3.50	0.18	–	–	3.68	3.50	0.18	–	–	3.68	–	–
2. Computer software												
- Acquired	12.51	0.47	–	–	12.98	8.71	(0.23)	1.85	–	10.33	2.65	3.80
3. Intellectual property rights												
- Acquired	16.50	–	–	–	16.50	16.50	–	–	–	16.50	–	–
Total	**865.41**	**(0.75)**	**61.81**	**–**	**926.47**	**28.71**	**(0.05)**	**1.85**	**–**	**30.51**	**895.96**	**836.70**
Previous year	746.71	117.56	1.14	–	865.41	13.73	12.82	2.16	–	28.71	836.70	–

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 11 : Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	8.95	7.01
Retirement Benefits	2.78	2.90
Other tax disallowances	2.18	1.49
	13.91	**11.40**
Note 12 : Long Term Loans and Advances		
(A) Security Deposits		
(i) Unsecured, Considered good	10.04	7.57
(B) Others		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	10.31	**7.84**

Note 13 : Current Investments

Non-Trade - Unquoted - In Liquid Mutual Funds

Particulars	Face value (fully paid up)	As at March 31, 2013		As at March 31, 2012	
		No. of shares / units	Cost	No. of shares / units	Cost
DWS Insta cash plus fund - Regular	**Rs 10/unit**				
Opening balance		88,705	0.89	27,287	0.27
Additions during the year		5,613,354	56.42	16,168,305	162.52
Deletions during the year		(5,702,059)	(57.31)	(16,106,887)	(161.90)
		–	–	**88,705**	**0.89**
Reliance money manager fund daily dividend plan	**Rs 1001/unit**				
Opening balance		–	–	–	–
Additions during the year		24,222	24.25	–	–
Deletions during the year		(15,782)	(15.80)	–	–
		8,440	8.45	–	–
Total		**8,440**	**8.45**	**88,705**	**0.89**

Aggregate fair value of unquoted investments	
Current year (31 March 2013)	8.45
Previous year (31 March 2012)	0.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	As at March 31, 2013	As at March 31, 2012
Note 14 : Trade Receivables		
(A) Outstanding for more than six months		
(i) Unsecured, Considered good	5.63	10.66
(ii) Doubtful	3.16	3.46
Less: Allowance for bad and doubtful debts	(3.16)	(3.46)
	5.63	**10.66**
(B) Others		
(i) Unsecured, Considered good	485.29	232.34
	485.29	**232.34**
	490.92	**243.00**
Note 15 : Cash and cash equivalents		
(A) Balance with Banks		
(i) Balance in Current account	91.77	104.97
(ii) In Deposit accounts		
- With Maturity within 12 months	0.03	23.96
- With Maturity after 12 months	0.16	0.19
(iii) Unpaid dividend accounts	0.23	0.13
(B) Cash on hand	0.04	0.04
	92.23	**129.29**
Note 16 : Short Terms Loans and Advances		
Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	13.54	16.40
Balance with gratuity fund	0.22	–
Prepaid Expenses	101.25	92.71
Employee Advances	2.36	0.71
Advances to suppliers	2.14	1.75
	119.51	**111.57**
Note 17 : Other Current Assets		
Interest accrued but not due on fixed deposits	0.04	0.45
Unbilled Revenue	7.13	36.99
	7.17	**37.44**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Note 18 : Other Income		
(A) Income from current investments		
Dividends	0.69	0.42
	0.69	**0.42**
(B) Others		
Exchange Fluctuation	4.14	7.96
Interest income	0.36	1.99
Provision no longer required written back	0.63	0.12
Profit on Sale of Assets	0.15	–
Profit on redemption of non current investments	0.13	–
Miscellaneous Receipts	1.65	–
	7.06	**10.07**
	7.75	**10.49**
Note 19 : Employee Benefits Expense		
Salaries and wages	677.31	534.34
Contribution to Provident and other funds	18.68	17.81
Staff Welfare Expenses	10.05	11.90
	706.04	**564.05**
Note 20 : Finance Costs		
Interest Expense	40.22	35.30
Other borrowing cost	2.11	0.88
	42.33	**36.18**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Note 21 : Other Expenses		
Education and Support costs	444.58	249.78
License costs	35.12	76.79
Rent	44.12	40.80
Travel and conveyance	70.35	50.53
Insurance	10.77	7.07
Rates and Taxes	5.38	5.17
Power and Fuel	12.97	9.39
Repairs to Buildings	7.94	7.99
Repairs to Plant	3.13	3.35
Communication Expenses	13.30	13.66
Audit fee	4.72	4.49
Legal, Professional and consultancy charges	30.54	41.36
Advertisement, Publicity and Sale Promotion	2.49	3.14
Miscellaneous expenses	25.65	17.71
	711.06	**531.23**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

22. Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Income-tax matters	**34.72**	26.70
Service-tax matters	**32.61**	32.61

b. Finance lease obligations

Particulars	As at March 31, 2013	As at March 31, 2012
Future obligations for assets taken on lease		
Not later than 1 year	0.91	0.93
Later than 1 year but not later than 5 years	0.39	1.26
	1.30	**2.19**
Less: Amounts representing future interest		
Not later than 1 year	0.15	0.28
Later than 1 year but not later than 5 years	0.04	0.17
	0.19	**0.45**
Present value of minimum lease rentals		
Not later than 1 year	0.76	0.65
Later than 1 year but not later than 5 years	0.35	1.09
	1.11	**1.74**

c. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Abrasives Limited Sakserve Private Limited Saksoft Limited Employees Welfare Trust Saksoft Limited Employees Gratuity Trust Sonnet Investments Private Limited Sak Industries Pte Ltd.
Key Management Personnel	Mr Aditya Krishna – Managing Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

22. Additional notes (Continued)

c. Related party disclosures (Continued)

Transactions entered during the year

Description	Year ended March 31, 2013	Year ended March 31, 2012
Revenue		
Sak Industries Private Limited	3.50	3.20
Rent expense		
Sak Industries Private Limited	5.99	5.70
Interest on loan		
Sak Industries Private Limited	29.11	28.02
Sak Industries Pte Limited	7.27	6.94
Borrowings / (Repayments), net		
Sak Industries Pte Ltd.	40.19	(12.87)
Sak Industries Private Limited	(90.00)	–
Reimbursement of expenses		
Sak Abrasives Limited	0.73	0.77
Key management Personnel		
Managerial remuneration		
Mr Aditya Krishna – Managing Director	3.00	3.00

Year end balances

Description	As at March 31, 2013	As at March 31, 2012
Loans and advances		
Sak Abrasives Limited	0.17	–
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Sakserve Private Limited	0.02	0.02
Accounts Payable		
Sak Industries Private Limited, India	0.20	–
Borrowings		
Sak Industries Private Limited	250.00	342.31
Sak Industries Pte Ltd	176.28	129.07

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, 2013	Year ended March 31, 2012
Revenue		
India	143.49	148.17
United Kingdom	851.26	582.92
USA	487.38	361.65
Singapore	107.54	134.79
Rest of the World	0.02	0.31
	1589.69	**1227.84**

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.

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

22. Additional notes (Continued)

e. Gratuity

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**10.60**	**10.64**
Current service cost	2.51	3.04
Interest cost	0.99	1.04
Actuarial losses/ (gain)	(1.85)	(2.05)
Past service cost	–	–
Benefits paid	(1.79)	(2.07)
Closing defined benefit obligation	**10.46**	**10.60**
Change in fair value of assets		
Opening fair value of plan assets	**3.09**	**2.94**
Expected return on plan assets	0.52	0.32
Actuarial gain/ (losses)	(0.16)	(0.10)
Contribution by Employers	2.30	2.00
Benefits paid	(1.79)	(2.07)
Closing fair value of plan assets	**3.96**	**3.09**
Liability recognised in the balance sheet	**6.50**	**7.51**
Expense recognized in the profit and loss account		
Current service cost	2.51	3.04
Interest cost on defined benefit obligation	0.99	1.04
Expected return on plan assets	(0.52)	(0.31)
Net Actuarial losses / (gains) recognised in a year	(1.69)	(1.97)
Part service cost	–	–
Net gratuity cost	**1.29**	**1.80**
Actual return on plan assets	**0.11**	**0.17**
Assumptions		
Discount rate	7.95%	8.45%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	10% for first 2 years & 7% thereafter

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

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 issued in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is administered by the Saksoft Employees Welfare Trust ('the Trust) through the compensation committee. The Trust purchased the shares of the Company using the proceeds

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

22. Additional notes (Continued)

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

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 has allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 27,500 options under this Plan and accordingly, 554,960 equity shares of Rs 10 each represent shares held by the Trust. During the year the Compensation Committee had granted 2,00,000 options under ESOP 2006 at the rate of Rs.45.05 per option.

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Options outstanding at the beginning of the year	40,000	50,500
Options granted during the year	2,00,000	–
Options exercised during the year	–	–
Options forfeited during the year	(10,000)	–
Options lapsed during the year	(30,000)	(10,500)
Options outstanding at the end of the year	**2,00,000**	**40,000**

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company during the year under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan issued in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 received the consent of the shareholders in December 2009.

The plan considers an aggregate of 5,00,000 options to be vested and exercised in accordance with the ESOP 2009 plan as approved by the Compensation Committee. The outstanding options available for vesting under the ESOP 2009 as on 31st March 2013 is 3,75,000 options.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Options outstanding at the beginning of the year	475,000	400,000
Options granted during the year	–	100,000
Options exercised during the year	–	(25,000)
Options forfeited during the year	–	–
Options lapsed during the year	100,000	–
Options outstanding at the end of the year	**375,000**	**475,000**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

22. Additional notes (Continued)

g. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Earnings		
Net profit for the year	109.06	70.17
Shares		
Equity shares as at the balance sheet date	10,165,000	10,165,000
Less: Shares held by Saksoft employees welfare trust	554,960	554,960
Total number of equity shares outstanding at the end of the year – Basic	**9,610,040**	**9,610,040**
Weighted average number of equity shares outstanding as at the end of the year	**9,610,040**	**9,587,123**
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year – Basic	9,610,040	9,587,123
Add: Shares held by Saksoft employees welfare trust	554,960	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	62,647	117,332
Weighted average number of equity shares outstanding during the year – Diluted	**10,227,647**	**10,259,415**
Earnings per share of par value Rs.10 – Basic (Rs.)	11.35	7.32
Earnings per share of par value Rs.10 – Diluted (Rs.)	10.67	6.84

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 March 31, 2013. There are no overdue principle amounts and therefore no interest is paid or payable.

i. Prior year comparatives have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report attached
for **Suri & Co.**
Chartered Accountants
Firm Registration No: 004283S

For and on behalf of the Board of Directors

S. Ganesan
Partner
Membership No: 018525

Aditya Krishna
Managing Director

R. Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S. Narayan
Company Secretary

Date: May 27, 2013
Place: Chennai

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

Name of the Subsidiary	Saksoft Inc., USA	Saksoft Pte Limited, Singapore	Saksoft GmBH, Germany	Saksoft Investments Private Limited, UK	Synetairos Technologies Limited, India
The Financial year of the Subsidiary Company ended on	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Holding Company	Saksoft Limited	Saksoft Limited	Saksoft Limited	Saksoft Limited	Saksoft Limited
Holding Company Interest	100%	100%	100%	100%	100%
Shares held by Holding Company in Subsidiary	195000 equity shares of USD 1 each fully paid up	555002 equity shares of SGD 1 each fully paid up	25000 equity shares of Euros 1 each fully paid up	5001000 equity shares of GBP 1 each fully paid up 2026000 5% Cumulative Redeemable Preference Shares of GBP 1 each fully paid up	64341 equity shares of Rs. 10 each fully paid up
Net Amount of profit/losses of subsidiary so far as it concerns the members of the holding company and is not dealt with in the accounts of the holding company:					
For the Financial Year Ended March 31, 2013 (Rs in Millions)	5.14	13.29	(0.35)	56.06	0.73
For the previous financial years for the subsidiary since it became a subsidiary (Rs in Millions)	25.22	1.05	(2.28)	139.91	46.05
Net Amount of profit/losses of subsidiary so far as it concerns the members of the holding company and is dealt with or provided for in the accounts of the holding company:					
For the Financial Year ended March 31, 2013 (Rs)	NA	NA	NA	NA	NA
For the previous Financial Years of the Subsidiary since it became a Subsidiary	NA	NA	NA	NA	NA

STATEMENT OF FINANCIAL INFORMATION ON EACH OF THE SUBSIDIARY COMPANIES

PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

Name of the Subsidiary	Saksoft Inc., USA as at 31.03.2013	Saksoft Pte Limited, Singapore as at 31.03.2013	Saksoft GmbH, Germany as at 31.03.2013	Saksoft Investments Private Limited, UK as at 31.03.2013	Synetairos Technologies Limited, India 31.03.2013
Issued and Subscribed Capital	9.24	19.17	1.20	434.45	0.64
Reserves	60.13	16.99	(3.10)	190.09	26.39
Loans	76.52	-	-	99.76	-
Total Assets	253.68	53.59	0.73	1192.14	27.90
Total Liabilities	107.79	17.43	1.63	467.84	0.87
Details of Investments	-	-	-	-	–
	Year ended 31.03.2013	**Year ended 31.03.2013**	**Year ended 31.03.2013**	**Year ended 31.03.2013**	**Year ended 31.03.2013**
Turnover	499.25	107.54	–	852.36	20.20
Profit before Taxation	7.36	13.29	(0.35)	56.06	0.81
Provision for Taxation	2.22	–	–	–	0.08
Profit after Taxation	5.14	13.29	(0.35)	56.06	0.73
Proposed Dividend	–	–	–	–	–

For and on behalf of the Board of Directors

Aditya Krishna
Managing Director

R. Rajagopalan
Director

Date: May 27, 2013
Place: Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

NOTES

NOTES

SAKSOFT LIMITED

(Regd. & Corporate Office "SP Infocity" Module 1, 2nd Floor No.40, Dr. MGR Salai, Perungudi, Kandanchavadi, Chennai - 600 096.)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Folio No. _____ No. of Shares held _____

D.P. ID*
Client ID*

* Applicable to investors holding shares in electronic form.

I hereby record my presence at the **FOURTEENTH ANNUAL GENERAL MEETING** held at P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017 on **Monday, the 5th August 2013 at 10.30 A.M.** as Shareholder/Proxy*

....

NAME OF THE SHAREHOLDER/PROXY* SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike whichever is not applicable

SAKSOFT LIMITED

(Regd. & Corporate Office "SP Infocity" Module 1, 2nd Floor No.40, Dr. MGR Salai, Perungudi, Kandanchavadi, Chennai - 600 096.)

PROXY FORM

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

D.P. ID*
Client ID*

No. of Shares held _____

I/We ..... of ..... in the district of ..... being a member/members of Saksoft Limited hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our Proxy to vote for me/us on my/us behalf at the Fourteenth Annual General Meeting of the Company to be held on Monday, the 5th August 2013 at 10.30 A.M. and at any adjournment thereof.

Signed this ..... Day of 2013

Affix
30 Paise
Revenue
Stamp

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Find out more: www.saksoft.com
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