



17<sup>th</sup> December, 2018

To  
The Manager  
Department of Corporate Services,  
BSE Ltd.,  
P J Towers, Dalal Street, Fort,  
Mumbai – 400001.

Dear Sir/Madam,

**Sub: Submission of Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.,**

**Ref: Scrip Code – 532972**

.....

With reference to the above captioned subject, please find enclosed 21<sup>st</sup> Annual Report of the Company for the Financial Year ended 31.03.2018 being approved and adopted in the 21<sup>st</sup> Annual General Meeting of the Company held on Wednesday, November 28, 2018 at 12:00 Noon at The Plaza Hotel, Opposite Greenland's Beside CM Camp Office, Begumpet, Hyderabad – 500016, Telangana.

You are requested to kindly take the above on records.

Thanking you,

**For SANKHYA INFOTECH LIMITED**

*Munmun Baid*

**(MUNMUN BAID)  
COMPANY SECRETARY**



Encl: Notice & Annual Report of 21<sup>st</sup> AGM



Sankhya InfoTech Limited  
21<sup>st</sup> Annual Report 2017-18  
We believe in people





## CONTENTS

Sl.No.	Particulars	Page No.
1	Company Information	3
2	Notice	4
3	Financial Highlights	10
4	Director's Report	11
5	Form AOC-1	29
6	MGT 9 (Extract of Annual Return)	30
7	Management Discussion and Analysis	37
8	Secretarial Audit Report	40
9	Auditor's Report on Financial Statements	43
10	Balance Sheet	47
11	Profit and Loss Account	49
12	Cash flow statement and Statement of Change in Equity	50-51
13	Significant Accounting Policies and Notes on Accounts	52
14	Notes to Financial Statements	66
15	Balance Sheet Abstract and Company's General Business Profile	84
16	Auditors' Report on Consolidated Financial Statements	85
17	Consolidated Balance Sheet	89
18	Consolidated Profit and Loss Account	91
19	Consolidated Cash Flow Statement	92
20	Significant Account Policies and Notes to Consolidated Accounts	93
21	Proxy form	108
22	Attendance Slip	110
23	Route Map for AGM Venue	111

## COMPANY INFORMATION

### BOARD OF DIRECTORS

<b>Mr. N Sridhar (DIN: 00089548)</b>	:	Chairman & Managing Director
<b>Mr. Partha S Pudhota (DIN: 07516057)</b>	:	Director
<b>Mr. Bhaskar Pramanik (DIN: 00316650)</b>	:	Independent Director
<b>Ms. N Nalini (DIN: 07244427)</b>	:	Woman Director
<b>Mr. Anil Valluri (DIN: 02299684)</b>	:	Independent Director
<b>Ms. Munmun Baid</b>	:	Company Secretary (From 1 <sup>st</sup> Oct, 2018)

### BANKERS

IDBI Bank Ltd  
 CBG – Specialized Corporate Branch  
 #5-9-89/1 & 2, Chapel Road, Hyderabad – 500001, Telangana

### STATUTORY AUDITORS

Ravi Rajan & Co., Chartered Accountants  
 505 A, 5<sup>th</sup> Floor, D-4 Rectangle-1 District Centre, Saket, New Delhi - 110017

### REGISTERED OFFICE W.E.F 1<sup>ST</sup> NOV, 2018

Dwaraka Central, Plot No. 57,  
 Survey No. 74 & 75, Jaihind Enclave, Madhapur Village,  
 Hyderabad – 500081, Telangana.  
**Tel:** + 91 9908124562

**ISIN:** INE877A01013

**CIN:** L72200TG1997PLC045396

**Listed on:** BSE Limited (BSE)

**Scrip Code:** 532972

### REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited, Karvy  
 Selenium Tower, B, Plot No: 31 & 32, Gachibowli, Financial District,  
 Nanakramguda, Serilingampally, Mandal, Hyderabad – 500 032, Telangana  
 Tel: +91- 40 - 6716 1500, 3321 1000.  
 Fax: +91-40 – 2342 0814, 2300 1153  
 E-mail: einward.ris@karvy.com  
 Website: www.karvy.com



**NOTICE** is hereby given that the Twenty First (21<sup>st</sup>) Annual General Meeting of the Members of Sankhya Infotech Limited will be held on Wednesday, 28<sup>th</sup> November, 2018, at 12:00 Noon at The Plaza Hotel, Opposite Greenland's Beside CM Camp office, Begumpet, Hyderabad – 500016, Telangana to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended on 31<sup>st</sup> March 2018, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. N. Nalini (DIN: 07244427), who retires by rotation, and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

3. **Appointment of Mr. Bhaskar Pramanik (DIN: 00316650) as an Independent Director.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing obligations and disclosure requirements) Regulation, 2015, Mr. Bhaskar Pramanik (DIN: 00316650), who was appointed as an Additional Director on 29<sup>th</sup> November, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the rules made there under and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years."

**"RESOLVED FURTHER THAT** Mr. Bhaskar Pramanik (DIN: 00316650) as an Independent Director shall not be liable for retirement by rotation during the tenure of his office."

**"RESOLVED FURTHER THAT** Mr. N. Sridhar, Chairman & Managing Director of the Company be and is hereby authorized to do all such deeds necessary and incidental there to including filing of requisite forms with Registrar of Companies, Hyderabad."

4. **Appointment of Mr. Anil Valluri (DIN: 02299684) as an Independent Director.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing obligations and disclosure requirements) Regulation, 2015, Mr. Anil Valluri (DIN: 02299684), who was appointed as an Additional Director on 29<sup>th</sup> November, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the rules made there under and

the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years."

**"RESOLVED FURTHER THAT** Mr. Anil Valluri (DIN: 02299684) as an Independent Director shall not be liable for retirement by rotation during the tenure of his office."

**"RESOLVED FURTHER THAT** Mr. N. Sridhar, Chairman & Managing Director of the Company be and is hereby authorized to do all such deeds necessary and incidental there to including filing of requisite forms with Registrar of Companies, Hyderabad."

5. **To Increase the Authorized Capital of the Company and alteration of the Capital Clause of Memorandum of Association.**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One crore and Fifty Lakhs Only) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares of Rs. 10/- (Rupees Ten Only) each by creation of additional 50,00,000 ( Fifty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each ranking pari passu in all respect with the existing Equity shares of the Company."

**"RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the Consent of the members of the company be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause.

**V.** The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

By Order of the Board

**Sankhya Infotech Limited**

Sd/-

**N. Sridhar**

Chairman & Managing Director  
DIN: 00089548

Date: 29<sup>th</sup> October, 2018  
Place: Hyderabad

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.  
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item nos: 3 to 5.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> November, 2018 to 28<sup>th</sup> November, 2018 (both days inclusive).
5. In terms of Articles of Association of the Company, Ms. N. Nalini, Director (DIN: 07244427) of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Information about such Director as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2, is contained in the statement annexed hereto. The Board of Directors of the Company recommends the re-appointment of Ms. N. Nalini, Director (DIN: 07244427), who has furnished the requisite declarations for her re-appointment.
6. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with the copy of the Annual Report. Pursuant to Section 113 of the Companies Act, 2013, corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip.
8. Members are requested to notify change of address, if any, with pin code to the company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
9. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial and Investor Relation Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
10. Individual Shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Karvy Computer Share Private Limited (hereinafter to be referred as "Karvy"), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500032, the Registrar and Share Transfer Agent of the Company.
11. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
12. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting. All relevant documents referred in the Notice and the Explanatory Statement shall be open for inspection by the members at the



Registered office of the Company during the normal business hours (10:00 A.M to 6:00 P.M) on all working days (except Saturdays) up to the date of AGM of the Company.

13. A Route Map showing direction to reach the venue of 21<sup>st</sup> Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meetings.

**14. Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

**Voting through electronic means (e-voting):**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically.
2. Necessary arrangements have been made by the Company with Karvy to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice.
3. Ms. Charu Golash, Practicing Company Secretary [Membership No. FCS 7325] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
4. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
5. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
6. In order to enable the Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of Annual General Meeting, the Company has also enclosed a ballot form with the Annual Report for the financial year 2017-18.
7. The facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting/ ballot form shall be able to vote at the Meeting through polling paper.

8. The e-voting period commences on 25<sup>th</sup> November, 2018 at 9:00 A.M and ends on 27<sup>th</sup> November, 2018 at 5:00 P.M. During this period, Members holding shares either in physical form or demat form, as on 21<sup>st</sup> November, 2018, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
9. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e., 21<sup>st</sup> November, 2018 only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
10. The name of members whose name is appearing as on 26<sup>th</sup> October, 2018 has been sent notice this 21<sup>st</sup> Annual General Meeting along with explanatory statement. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and Karvy. However, if you are already registered with Karvy for remote e-voting, then you can use your existing User ID and password for casting your vote.
11. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, in not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, and submit to the Chairman, who shall countersign the same.
12. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sankhya.net](http://www.sankhya.net) and on the website of Karvy (<https://evoting.karvy.com>) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the equity shares of the Company are listed.
13. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favor of the respective resolutions.

**The instructions for members for voting electronically are as under:**

In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- b) Enter the login credentials (i.e., User ID and password mentioned in your email). Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- c) After entering these details appropriately. Click on "LOGIN".
- d) You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the "EVENT" i.e., Sankhya Infotech Limited.
- g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- i) Voting has to be done for each resolution of the Notice separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
- l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net) and may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

In case a Member receiving physical copy of the Notice by Post [for Member whose email IDs are not registered with the Company/Depository Participant(s)]:

- a) User ID and initial password- as provided.
- b) Please follow all steps from Sr. No. (a) to (l) as mentioned above to cast your vote.

Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

Any person who becomes member after the dispatch of the Notice of the Meeting and holding share as on the cut-off date i.e. 21<sup>st</sup> November, 2018 may obtain the User ID and password as mentioned below:

- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL: MYEPWD <SPACE> 1402345612345678  
Example for Physical: MYEPWD <SPACE> XXX1234567890
- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. In case of any queries, members may visit Help & FAQ's section available at Karvy's website download section on <https://evoting.karvy.com> or contact Mr. Mohd Mohsin Uddin, Senior Manager, Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 or send an email to [evoting@karvy.com](mailto:evoting@karvy.com) or call him on +91-40-6716 1562 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

#### **Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013**

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 3 to 5 of the accompanying Notice.

#### **ITEM NO. 3**

Mr. Bhaskar Pramanik is an Engineering graduate from IIT-Kanpur and has attended Stanford University's Advanced Marketing Management Program. He is a Director of State Bank of India elected by the shareholders u/s 19(c) of the SBI act.

Mr. Bhaskar Pramanik (holding DIN: 00316650) was appointed as an Additional (Independent) Director of the Company with effect from 29<sup>th</sup> November, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Bhaskar Pramanik holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director.





In the opinion of the Board, Mr. Bhaskar Pramanik fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bhaskar Pramanik as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhaskar Pramanik as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bhaskar Pramanik as an Independent Director, for the approval by the shareholders of the Company by way of Ordinary Resolution.

Except Mr. Bhaskar Pramanik, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

#### ITEM NO. 4

Mr. Anil Valluri is an Alumnus of Stanford University.

Mr. Anil Valluri (holding DIN: 02299684) was appointed as an Additional (Independent) Director of the Company with effect from 29<sup>th</sup> November, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Anil Valluri holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director.

In the opinion of the Board, Mr. Anil Valluri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Anil Valluri as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anil Valluri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Valluri as an Independent Director, for the approval by the shareholders of the Company by way of Ordinary Resolution.

Except Mr. Anil Valluri, being an appointee, none of the

Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

#### ITEM NO. 5

Your Directors wish to inform that the Company is planning to expand its business activities. In order to meet its growth objectives and to strengthen its financial position, it is required to generate long term resources by issuing securities. Therefore, it is required to increase the Authorised Capital, in order to enable the Company to raise capital whenever the need arises. Hence it is proposed to increase the Authorised Capital from Rs. 15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore and Fifty Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000/- (Rupees Twenty crores only) divided into in 2,00,00,000 (Two crores only) equity shares of Rs. 10/- (Rupees Ten only) each.

The proposed increase in Authorised Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company.

Copy of altered Memorandum of Association will be available for inspection during the office hours on working days till the date of the meeting.

None of the Directors, key managerial personnel or relatives of the Directors of the Company are in any way are interested or concerned in the resolution set out at Item No. 5.

For By Order of the Boardf  
**Sankhya Infotech Limited**

Sd/-

**N. Sridhar**

Date: 29<sup>th</sup> October, 2018

Place: Hyderabad

Chairman & Managing Director

DIN: 00089548

#### Annexure to the Notice of AGM

Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole-time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting (under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2

Name of the Director	N. Nalini	Bhaskar Pramanik	Anil Valluri
Date of Birth	20 <sup>th</sup> November, 1989	20 <sup>th</sup> March, 1954	1 <sup>st</sup> June, 1962
Age	28 years	67 years	56 years
Qualification	MS	Engineering graduate from IIT-Kanpur Attended Sanford University's Advanced Marketing Management Program	Alumnus of Stanford University
Date of first Appointment on the Board	14 <sup>th</sup> February, 2015	29 <sup>th</sup> November, 2017	29 <sup>th</sup> November, 2017
Terms & Conditions of Re-appointment along with Remuneration sought to be paid	Not Applicable	Not Applicable	Not Applicable
Remuneration last drawn	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Ms. N Nalini is the Daughter of Mr. N. Sridhar and niece of Mr. N. Srinivas.	None	None
Expertise in Specific Functional Area	Signal Processing	IT Services, Business Development	Passionate audiophile and avid Golfer
Number of Meetings of the Board attended during the year	11 meetings	4 meetings	4 meetings
Names of other companies in which holds the directorship	None	1. TCNS Clothing Co. Limited	1. Netapp India marketing And Services Private Limited
Names of other companies in which holds the membership of Committees of the Board	None	None	None
No of Shares held in the Company as on 31 <sup>st</sup> March, 2018	62,671	3,000	None

## I. GENERAL INFORMATION

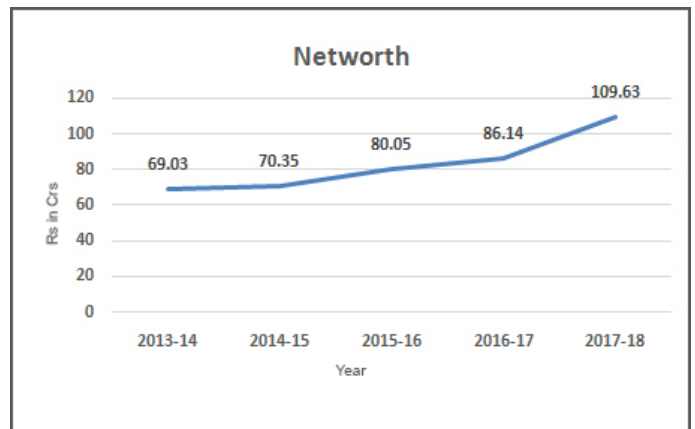
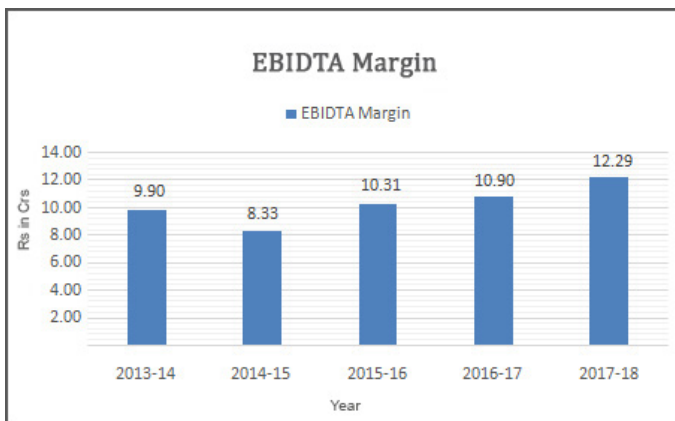
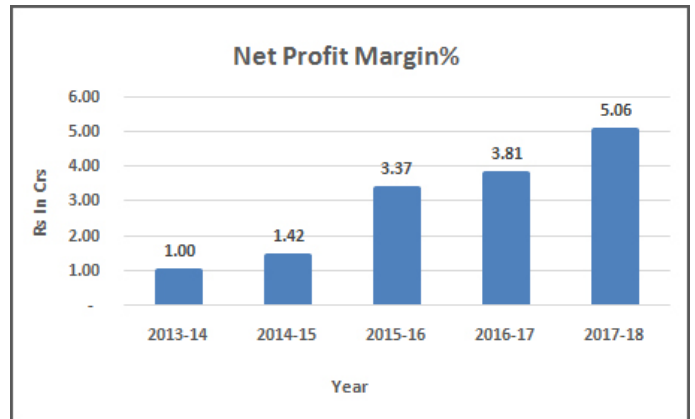
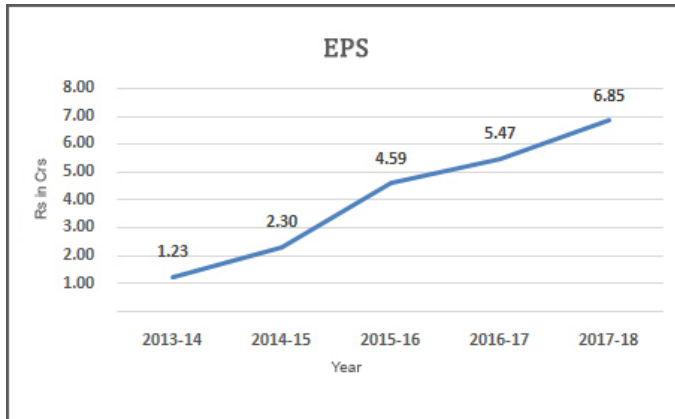
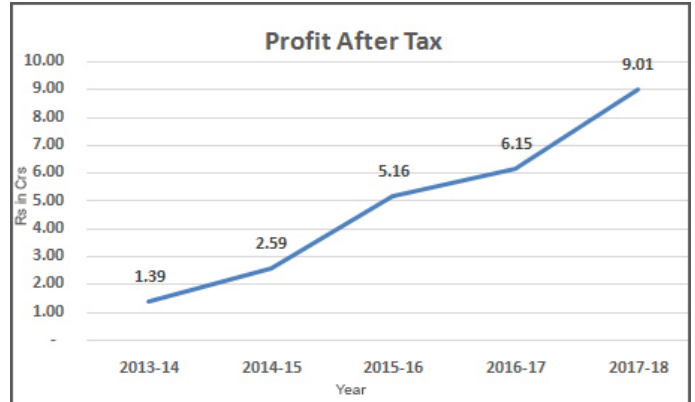
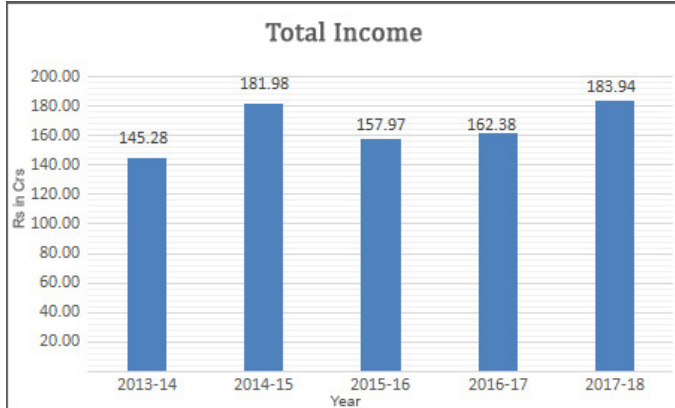
- Your company's core competency is in providing training management system platform using Artificial Intelligence and Machine Learning and high fidelity immersive virtual reality training solutions for mission critical functions focused mainly to aviation and defense industry.
- Year of commencement of commercial production: 1997.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- Financial performance: **(Rs in Lakhs)**

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
Total Revenue	18,394.42	16,238.42	15,796.84
Total Expenses	17,546.44	15,565.02	15,240.75
Profit Before Exceptional and Extraordinary Items and Tax	847.98	673.40	556.09
Profit / (Loss) for the period	900.69	615.31	397.11
Basic and Diluted Earnings per Share (Rs)	6.85	5.47	3.53

- Exports performance for the year ended 31<sup>st</sup> March 2018 as follows:  
Overseas income is Rs. 17,773.68 Lakhs.  
Net gain on foreign currency translation and transaction: 582.47 Lakhs
- Foreign investments or collaborations, if any:  
The Company has following two 100% wholly owned foreign subsidiary companies  
Sankhya SARL, France  
Sankhya US Corporation



# FINANCIAL HIGHLIGHTS



## Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 21<sup>st</sup> Annual Report along with the audited financial statements, for the financial year ended 31<sup>st</sup> March, 2018. The Consolidated performance of the company and its subsidiaries has been referred to wherever required.

### FINANCIAL SUMMARY

The Company's operating performance during the financial year ended 31<sup>st</sup> March, 2018 is summarized below:

(Rs. in Lakhs)

Particulars	Standalone figures for the year ended		Consolidated figures for the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Revenue From Operations	17,798.01	16,160.00	17,798.01	16,160.00
Other Income	596.41	78.42	596.41	78.42
<b>Total Revenue</b>	<b>18,394.42</b>	<b>16,238.42</b>	<b>18,394.42</b>	<b>16,238.42</b>
Employee Benefit Expenses	9783.21	8582.35	9783.21	8,582.35
Other Operating Expenses	1430.17	1085.74	1430.17	1085.74
Finance Cost	511.10	479.97	511.10	512.09
Depreciation and Amortization Expense	829.30	607.58	829.30	607.58
Other Expenses	4922.66	4809.38	4922.66	4809.38
<b>Total Expenses</b>	<b>17,546.44</b>	<b>15,565.02</b>	<b>17,546.44</b>	<b>15,597.14</b>
Profit Before Exceptional and Extraordinary Items and Tax	847.98	673.40	847.98	641.28
Extraordinary Items	-	-	-	-
Profit Before Tax	847.98	673.40	847.98	641.28
Current Tax	168.83	132.87	168.83	132.87
Less Mat Tax Credit Entitlement	(168.83)	(132.87)	(168.83)	(132.87)
Deferred Tax	69.94	58.09	69.94	58.09
Previous Years Tax Provision	(122.65)	-	(122.65)	-
<b>Profit/(Loss) for the period</b>	<b>900.69</b>	<b>615.31</b>	<b>900.69</b>	<b>583.19</b>
Basic and Diluted Earnings per Share (Rs.)	6.85	5.47	6.85	5.19

### REVIEW OF OPERATIONS

For the Financial year ended 31<sup>st</sup> March, 2018 as follows:-

#### Standalone and Consolidated Financial Performance

- Standalone & Consolidated Total Revenue for the current year was Rs. 18,394.42 Lakhs.
- Standalone & Consolidated Profit before Exceptional and Extraordinary Items and Tax was Rs. 847.98 Lakhs.
- Standalone & Consolidated Net Profit / (Loss) were Rs. 900.69 Lakhs.
- Standalone & Consolidated basic and diluted Earnings per Share (EPS) were Rs. 6.85 for the year.

The Company's current year financial summary and highlight along with future outlook are mentioned in the Management Discussion and Analysis Report annexed to this report.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

In terms of Section 134(3)(l) of the Companies Act, 2013, No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### SUBSIDIARY

As on 31<sup>st</sup> March 2018, the company has 3 Subsidiaries. During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company has been prepared which forms part of this Annual Report. Further, a statement containing salient features of financial statements of subsidiary along with the extent of holding therein are provided in the **Form AOC 1** attached to the Accounts which covers the performance and financial position of the subsidiaries. **(Annexure – II)**



The financial position of the said Companies is also given in the Notes to Consolidated financial statements.

The Highlights of the performance of subsidiaries are as follows:

(Rs. in Lakhs)

Particulars	Mahasena Info Technologies India Private Limited **	Sankhya SARL, France	Sankhya US Corporation
Total Income	NIL	NIL	NIL
Total Expenses	NIL	NIL	NIL
Profit Before Tax	NIL	NIL	NIL
Current Tax	NIL	NIL	NIL
Deferred Tax	NIL	NIL	NIL
Previous Years Tax Provision	NIL	NIL	NIL
<b>Profit/(Loss) for the period</b>	NIL	NIL	NIL

In accordance to the Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the company are available on our website. These documents will also be available for inspection at the registered office of the Company during working hours. The Company will also make available a copy thereof to any member of the Company who may be interested in obtaining the same.

There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.

\*\*Further one of our subsidiary MAHASENA INFO TECHNOLOGIES INDIA PRIVATE LIMITED has been struck off from the register of companies and the said Company is dissolved with effect from 27.08.2018.

#### CONSOLIDATED FINANCIAL STATEMENTS (CFS)

The Consolidated Financial Statements of your Company for the financial year 2017-18 are prepared in compliance with applicable provisions of the Companies Act, 2013, read with the Rules issued there under, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries, as approved by the respective Board of Directors.

#### DIVIDEND

The Company's objective is to achieve the status which can facilitate a steady and consistent distribution of profits by way of Dividend to its shareholders. Depending on funding requirements, future funding needs as per the Company's growth plans your Directors have not recommended payment of Dividend for the Financial Year 2017-18.

#### TRANSFER TO RESERVE

The Company has proposed to transfer a sum of Rs. 900.69 Lakhs to General Reserve out of the profits earned by the Company at the standalone level for the financial year ended 31<sup>st</sup> March, 2018.

#### AUTHORISED SHARE CAPITAL

The Authorized Share Capital of the Company stands at Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

During the Year, there has been no change in the Authorized Share Capital of the Company.

#### PAID UP SHARE CAPITAL

The Paid Up share Capital of the Company stands at Rs. 13,14,52,050/- (Rupees Thirteen Crores Fourteen Lakhs Fifty Two Thousand and Fifty Only) divided into 1,31,45,205 (One Crore Thirty One Lakhs Forty Five Thousand Two Hundred and Five Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

During the Year, the Company has issued 19,00,000 equity shares of Rs. 10/- each at premium of Rs. 46.07/- to Non Promoter on a preferential basis.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

#### DEPOSITS

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

#### INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

## **DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR**

Based on the confirmations received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Ms. N Nalini, (DIN: 07244427) Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Anil Valluri (DIN: 02299684) was appointed as an Additional Director who shall hold office till the date of this Annual General Meeting. A member proposed his candidature for appointment at the ensuing Annual General Meeting. In terms of the Companies Act, 2013, Mr. Anil Valluri is proposed to be appointed as Independent Director for a term of 5 years, not liable for retirement by rotation.

Mr. Bhaskar Pramanik (DIN: 00316650) was appointed as an Additional Director who shall hold office till the date of this Annual General Meeting. A member proposed his candidature for appointment at the ensuing Annual General Meeting. In terms of the Companies Act, 2013, Mr. Bhaskar Pramanik is proposed to be appointed as Independent Director for a term of 5 years, not liable for retirement by rotation.

Ms. Aditi Jha was appointed as Company Secretary & Compliance officer of the Company in lieu of resignation of Ms. Kishwar Fatima in the Board Meeting duly held on 1<sup>st</sup> February, 2018.

Ms. Munmun Baid was appointed as Company Secretary & Compliance officer of the Company w.e.f. 1<sup>st</sup> October, 2018.

### **Cessation:**

Mr. Dr. J V Rao & Mr. CH Anand, Independent Directors of the Company has resigned from the Board of Directors of the Company with effect from 1<sup>st</sup> December, 2017.

Mr. N. Srinivas, Vice-Chairman & Executive Director of the Company has resigned from the Board of Directors of the Company with effect from 1<sup>st</sup> December, 2017.

Ms. Kishwar Fatima, Company Secretary & Compliance Officer of the Company has submitted her resignation on 23<sup>rd</sup> January, 2018 stating her inability to continue as Company Secretary & Compliance Officer of the Company due to personal commitments.

Ms. Aditi Jha, Company Secretary & Compliance Officer of the Company has resigned w.e.f. 31<sup>st</sup> August, 2018 due to personal commitments.

## **GOVERNANCE GUIDELINES**

The Company has adopted Governance Guidelines or code of conduct on Board, Independent Director, Key Managerial Personnel or senior managerial personnel. The Governance Guidelines or code of conduct cover aspects related to role of the Board diversity, definition of independence and duties of independent Directors, Code of Conduct, Moral, ethics and principles to be followed.

## **COMMITTEES OF THE BOARD**

Currently the Board has Three Committees:

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. The Stakeholders Relationship Committee

### **Audit Committee**

The Audit Committee consists of Mr. Bhaskar Pramanik, Chairman, Mr. Sridhar Nadupalli, Member Mr. Anil Valluri, Member and Mr. Pudhota Partha Saradhi, Member. All the recommendations made by the Audit Committee were accepted by the Board.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of Mr. Anil Valluri, Chairman, Mr. Bhaskar Pramanik, Member, Mr. Pudhota Partha Saradhi, Member and Ms. Nalini Nadupalli, Member.

### **Stakeholders Relationship Committee**

Stakeholders Relationship Committee consists of Mr. Pudhota Partha Saradhi, Chairman, Mr. Sridhar Nadupalli, Member and Mr. Bhaskar Pramanik, Member. The Scope of the committee shall include considering and resolving the grievances of the security holders of the company which may arise due to any of the reasons cited in the Stakeholders Relationship Committee of the company.

## **NOMINATION, REMUNERATION AND PERFORMANCE EVALUATION POLICY**

The requisite details as required by Section 134(3), Section 178(3) & (4) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report.

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the schedule IV of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings, governance and contribution to strategy, interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.



A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking in to account the views of executive directors and non-executive directors.

The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report as required under Regulation 34(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, forms part of the Annual Report and give detail of the overview, industry structure and developments, different product groups of the Company, operational performance of its various business segments. **(Annexure IV)**

**CORPORATE GOVERNANCE**

The Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are complied with.

A separate report on Corporate Governance is being presented as part of the Annual Report. **(Annexure I)**

A declaration of Code of Conduct from Mr. N. Sridhar, Chairman and Managing Director forms part of the Corporate Governance Report. **(Annexure V)**

Ravi Rajan & Co., Chartered Accountants in practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange. **(Annexure VI)**

**TRANSACTIONS WITH RELATED PARTIES**

The requisite details as required by Section 134 & 188 of the Companies Act, 2013 and Regulation 23 & 34(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is provided in the Corporate Governance Report.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Your Directors draw attention of the members to Notes 28(4) to the financial statement which sets out related party disclosures.

**BOARD AND COMMITTEE MEETINGS**

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed and that there are no material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2018 and Statement of Profit and Loss of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, on a going concern basis;
- (v) that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the financial year under review.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on CSR.

## **DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Also, During the Financial year ended 31<sup>st</sup> March, 2018 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

## **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Board of Directors of the Company has adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The requisite details as required by Section 177 of the Companies Act, 2013 and Regulation 22 & 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company's operations in future during the year under review.

## **AUDITORS**

### **(1) Statutory Auditors:**

At the Annual General Meeting (AGM) held on 28<sup>th</sup> November, 2017, M/s. Ravi Rajan & Co., Chartered Accountants (ICAI Firm Registration Number 009073N), were appointed as Statutory Auditors of the Company to hold office for a period of five years and their appointment will be subject to the ratification of members at every Annual General Meeting. However, pursuant to the Companies (Amendment) Act, 2018, the ratification of the auditors at every annual general meeting of the company has been dispensed with.

### **Auditors' Report**

The Auditors' Report does not contain any reservation, qualification or adverse remarks.

M/s. Ravi Rajan & Co., Statutory Auditors of the Company has submitted Auditors' Report on the Standalone and Consolidated Financial Statements for the year ended on 31<sup>st</sup> March, 2018.

### **(2) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Ms. Charu Golash (FCS) to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2018. The Secretarial Audit Report in the Form MR-3 is annexed as **Annexure VIII**.

The Secretarial Audit Report for the financial year ended 31.03.2018 contains the following qualification:

The Company did not have Chief Financial Officer as required under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014.

Management explanation to the above Auditors qualification:

The Company is in the verge of final selection of CFO and will be taking charge of the responsibility on or before 1<sup>st</sup> December, 2018 as stipulated under the Companies Act, 2013.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

### **A. Conservation of energy**

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possibility of saving of energy.

### **B. Technology absorption**

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed and adopted.

## **Research and Development (R & D):**

### **1. Specific areas in which R & D carried out by the Company:**

The Company continues to focus and invest in R & D activities for developing and improving the quality and enhancing the benefits of its software products. The Company is a product oriented Company and the continuous development of new products and the existing products is an ongoing exercise.

### **2. Benefits derived as a result of the R & D:**

Research and development of new products & processes will continue to be of importance to your Company. Products although have a longer gestation, are of higher benefit to the Company and its profitability in the long run.



**3. Future plan of Action:**

The Company continues to strive for development and innovation of new products and improving the existing ones in order to meet the changing requirements and to cater to customer needs.

**C. Foreign exchange earnings and outgo**

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

**(Rs. in Lakhs)**

Particulars	2017-18	2016-17
Foreign exchange earnings	17,773.68	16,138.15
Foreign exchange outgo	14,925.55	13,033.57

**PARTICULARS OF REMUNERATION**

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed. **(Annexure-VII)**

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration Managerial Personnel) Rule, 2014, there are no employees who are in receipt of remuneration of Rs. 102 Lakhs or more per annum or Rs. 8.5 Lakhs or more per month or where employed for a part of the year.

**DISCLOSURE ABOUT COST AUDIT**

Cost Audit is not applicable to your Company.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return prepared in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure III** to this Report.

**CEO/CFO CERTIFICATION**

Mr. N Sridhar, Chairman and Managing Director of the Company have given a certificate to the Board as contemplated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**RISK MANAGEMENT POLICY**

All assets of the Company and other potential risks have been adequately insured.

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the

businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**EMPLOYEE RELATIONS**

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full co-operation from the employees.

**DECLARATION WITH THE COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL**

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel. The said policy is available on the website of the Company [www.sankhya.net](http://www.sankhya.net)

**APPRECIATION**

The Board of Directors places on record its gratitude to Financial Institutions, Banks, various State and Central Government Agencies and governments of various countries where we have our operations. The Board also acknowledges the support of the shareholders of the Company. The Board also places on record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board of Directors of  
**Sankhya Infotech Limited**

Sd/-

**N. Sridhar**

Date: 29<sup>th</sup> October, 2018  
Place: Hyderabad

Chairman & Managing Director  
DIN: 00089548

**Report on Corporate Governance****(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations. The Company believes that high standards of Corporate Governance are the critical to ensure the business success. We feel proud that we have laid a strong foundation stone for good governance long back. The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. Sankhya mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Company philosophy on Corporate Governance aims at facilitating effective management of the Company in the conduct of business and in meeting the objectives of enhancing value of the Company to its stakeholders and to provide good management.

The Company endeavors to achieve optimum performance at all levels of management by adhering to good corporate governance practices, namely, the following:

1. Fair and transparent business practices.
2. Effective management control by Board.
3. Adequate representation of promoter, executive and independent Directors on the Board.
4. Monitoring of executive performance by the Board.
5. Compliance of laws.
6. Transparent and timely disclosure of financial and management information

**(2) BOARD OF DIRECTORS**

- (i) As on 31<sup>st</sup> March, 2018, the Company has Five Directors. Out of the Five Directors, two are Independent and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.
- (ii) None of the Directors on the Board holds Directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on 31<sup>st</sup> March, 2018 have been made by the Directors.
- (iii) None of the Independent Directors are serving as Independent Directors in more than seven listed companies.
- (iv) During the year, the meeting of Independent Directors of the Company was held on 25<sup>th</sup> January, 2018. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- (v) During the financial year 2017-18, the Board met Eleven times and the gap between any two meetings has been less than one hundred and twenty days. The Directors who were present in the Board Meeting are marked as "√" and the directors who were granted leave of absence was marked as "X".

S. No	Board Meetings	N. Sridhar	N. Nalini	P. Partha Saradhi	N. Srinivas ***	CH. Anand ***	JV Rao Krishna Murthy ***	Anil Valluri**	Bhaskar Pramanik**
1	27.05.2017	√	√	√	√	√	√	N.A	N.A
2	07.07.2017	√	√	√	√	√	√	N.A	N.A
3	22.07.2017	√	√	√	√	√	√	N.A	N.A
4	12.08.2017	√	√	√	√	√	√	N.A	N.A
5	02.11.2017	√	√	√	√	√	√	N.A	N.A
6	06.11.2017	√	√	√	√	√	√	N.A	N.A
7	20.11.2017	√	√	√	√	√	√	N.A	N.A
8	11.12.2017	√	√	√	N.A	N.A	N.A	√	√
9	09.01.2018	√	√	√	N.A	N.A	N.A	√	√
10	01.02.2018	√	√	√	N.A	N.A	N.A	√	√
11	12.02.2018	√	√	√	N.A	N.A	N.A	√	√

\*\* Mr. Anil Valluri and Mr. Bhaskar Pramanik were appointed on Board w.e.f 29<sup>th</sup> November, 2017.

\*\*\* Mr. N Srinivas, Mr. CH. Anand and Mr. JV Rao have resigned from the Directorship of the Company w.e.f 1<sup>st</sup> December, 2017



- (vi) The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other public companies as on 31<sup>st</sup> March, 2018 are given herein below:

Directors	Attendance particulars				Committee	
	Category*	Board Meeting	Last AGM 28.11.2017	Other Directorship	Membership in other Companies	Chairmanship in other Companies
N. Srinivas***	P,VC	7	No	1	Nil	Nil
N. Sridhar***	P, CMD	11	Yes	1	Nil	Nil
CH. Anand***	ID, NED	7	No	Nil	Nil	Nil
JV Rao Krishna Murthy	ID, NED	7	No	Nil	Nil	Nil
N. Nalini	P, NED	11	No	Nil	Nil	Nil
P. Partha Saradhi	NED	11	No	1	Nil	Nil
Anil Valluri**	ID, NED	4	NA	1	Nil	Nil
Bhaskar Pramanik**	ID, NED	4	NA	1	Nil	Nil

\* **P, VC:** Promoter, Vice-Chairman

\***P, CMD:** Promoter, Chairman & Managing Director

\***ID, NED:** Independent Director, Non-Executive Director

\***P, NED:** Promoter, Non-Executive Director

\***NED:** Non-Executive Director

\*\* Appointed w.e.f. 29<sup>th</sup> November, 2017

\*\*\* Resigned with w.e.f. 1<sup>st</sup> December, 2017

- (vii) **Disclosure of relationships between directors inter-se**

- Mr. N. Srinivas is a brother of Mr. N. Sridhar and uncle of Ms. N. Nalini.
- Mr. N. Sridhar is a brother of Mr. N. Srinivas and father of Ms. N. Nalini.
- Ms. N. Nalini is a daughter of Mr. N. Sridhar and niece of Mr. N. Srinivas.

- (viii) **Number of shares and convertible instruments held by non-executive directors**

Ms. N. Nalini being a Non - Executive Director is holding 62,671 shares, Mr. Bhaskar Pramanik is holding 3,000 shares as on 31<sup>st</sup> March, 2018 and Mr. P. Partha Saradhi is holding 19,00,000 shares and no other Non-Executive Director is holding any shares and convertible instruments as on 31<sup>st</sup> March, 2018.

- (ix) Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. Details of familiarization programme of Independent Directors are available on the website of the Company at the link [www.sankhya.net](http://www.sankhya.net).

### (3) AUDIT COMMITTEE

#### a. Composition, Name of Members and Chairman

The composition of the Audit Committee meets the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of Audit Committee is given below:

Name	Designation	Category	Number of meetings during the financial year 2017-18	
			Entitled to Attend	Attended
JV Rao Krishna Murthy***	Chairman (up to 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	4	4
CH. Anand***	Member (up to 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	4	4
N. Srinivas***	Member (up to 1 <sup>st</sup> December, 2017)	Executive	4	4
Mr. Pudhota Partha Saradhi	Member	Non-Executive	5	5
N. Sridhar	Member (from 1 <sup>st</sup> December, 2017)	Executive	1	1
Anil Valluri**	Member (from 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1
Bhaskar Pramanik**	Chairman (from 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1

\*\* Appointed w.e.f. 29<sup>th</sup> November, 2017

\*\*\* Resigned with w.e.f. 1<sup>st</sup> December, 2017

### Meetings

The Audit Committee met five times during the year 27<sup>th</sup> May, 2017; 12<sup>th</sup> August, 2017; 2<sup>nd</sup> November, 2017; 6<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018. The gap between two meetings did not exceed 120 days and the necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Audit Committee.

#### b. Brief description of terms of reference

1. Oversight of the company's financial reporting process and disclosure of financial information.
2. Review of quarterly, half yearly and annual financial statements.
3. Recommending the appointment and removal of external Auditors and fixing of their remuneration.
4. Review the adequacy of internal control systems and internal audit functions.
5. Review of Company's financial and risk management policies.

The Audit Committee shall carry out role and review of information as stipulated in Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

## (4) NOMINATION AND REMUNERATION COMMITTEE

#### a. Composition, Name of Members and Chairman

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:



Name	Designation	Category	Number of meetings during the financial year 2017-18	
			Entitled to Attend	Attended
JV Rao Krishna Murthy ***	Chairman (up to 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1
CH. Anand***	Member (up to 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1
N. Sridhar	Member (up to 1 <sup>st</sup> December, 2017)	Executive	1	1
Mr. Pudhota Partha Saradhi	Member	Non-Executive	2	2
N. Nalini	Member (from 1 <sup>st</sup> December, 2017)	Non-Executive	1	1
Anil Valluri**	Chairman (from 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1
Bhaskar Pramanik**	Member from 1 <sup>st</sup> December, 2017)	Non-Executive – Independent	1	1

\*\* Appointed w.e.f. 29<sup>th</sup> November, 2017

\*\*\* Resigned with w.e.f. 1<sup>st</sup> December, 2017

#### Meetings:

The Nomination and Remuneration Committee met two times during the year on 20<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018 and necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Committee.

#### b. Brief description of terms of reference

The Nomination and Remuneration Committee has been empowered with the role and functions as per the provisions specified under Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 including the appointment and finalizing the remuneration of senior level employees of our Company. The purpose of the Committee is to monitor the Company's nomination process of the senior level management and to identify and review the individuals capable of serving in the Board level or senior management team of the company.

#### Nomination, Remuneration and Board Evaluation Policy

The Company has formulated a Nomination, Remuneration and Board Evaluation Policy as per the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as senior management personnel of the Company and lays down the criteria for determining the remuneration of the directors, key managerial personnel (KMP) and other employees.

Nomination, Remuneration and Board Evaluation Policy provides for the following attributes for Appointment and Removal of Director, KMP and senior management.

#### Appointment criteria and qualification

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director in terms of diversity policy of the board and recommend to the board his/her appointment.
- For the appointment of KMP (other than managing/whole-time director) or senior management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. Further, for administrative convenience, as regards the appointment of KMP (other than managing/whole time director) or senior management, the managing director is authorized to identify and appoint a suitable person for such position. However, if the need be, the managing director may consult the committee/board for further directions/guidance.

**Term**

- The term of the directors including managing/whole-time director/independent director shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; whereas, the term of the KMP (other than the managing/whole-time director) and senior management shall be governed by the prevailing HR policies of the Company.

**Evaluation**

- The Committee shall carry out evaluation of performance of every Director.
- The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment/re-appointment/continuation of directors on the board shall be subject to the outcome of the yearly evaluation process.

**Removal**

- Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable act, rules and regulations there under and/or for any disciplinary reasons and subject to such applicable acts, rules and regulations and the Company's prevailing HR policies, the committee may recommend, to the board, with reasons recorded in writing, removal of a director, KMP or senior management.

**Remuneration of managing/whole-time director, KMP and senior management**

- The remuneration/compensation/commission, etc. as the case may be, to the managing/whole-time director will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/ commission, etc. as the case may be, shall be subject to the prior/post approval of the shareholders of the Company and central government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the managing director of the Company is authorized to decide the remuneration of KMP (other than managing/whole-time director) and senior management, and which shall be decided by the managing director based on the standard market practice and prevailing HR policies of the Company.

**Remuneration to non-executive/independent director**

- The remuneration/commission/sitting fees, as the case may be, to the non-executive/independent director, shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made there under for the time being in force or as may be decided by the committee/board/shareholders.
- An independent director shall not be entitled to any stock option of the company unless otherwise permitted in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Details of the evaluation process**

In terms of the Nomination, Remuneration and Board Evaluation Policy and the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee laid down the criteria for evaluation/assessment of the Directors (including the independent directors) of the Company and the Board as a whole. The Committee also carried out the evaluation of the performance of each Director of the Company.

The Board conducted formal annual evaluation of its own performance, its Committees and the individual directors (without the presence of the director being evaluated). Basis the said evaluation, the Nomination and Remuneration Committee has evaluated the Directors and Senior Management Personnel and made recommendations for the appointment/re-appointment/increase in remuneration of the Directors and Senior Management.

**Criteria for evaluation of Board (Including Independent Directors) and its Committees**

The evaluation of the Board (including independent directors) and its committee were based on knowledge to perform the role, attendance, time and level of participation, performance of duties, adequate discharge of responsibilities, level of oversight, understanding of the Company professional conduct, independence, structure and composition, frequency and duration of meetings, its process and procedures, effectiveness of Board/ Committees, its financial reporting process, including internal controls, review of compliance under various regulations etc.

**(5) Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 25<sup>th</sup> January, 2018, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(6) Internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

There was no meeting held in the financial year, as no complaints were received from any employee.

**(7) Details of Remuneration to Directors:**

The details of remuneration paid to the Board of Directors forms part of the **Annexure III**.

(Extract of Annual Return i.e. MGT-9)

- (i) The criteria for making payment to Non-executive Directors are contained in Nomination & Remuneration policy of the Company, which forms part of the Board's report.
- (ii) The details of the salary payable to the executive/non-executive Directors of the Company are as follows:

(a) Remuneration payable to Executive Directors of the Company:

**(Rupees)**

Name of the Director	Salary Payable	Perquisites & other benefits	Performance bonus/ Commission	Earned leave & gratuity	Other - Leave encashment	Total
N. Sridhar	36,00,000	-	-	-	-	36,00,000
N. Srinivas	-	-	-	-	-	-

(b) Remuneration paid to non-executive Directors of the Company:

**(Rupees)**

Name of the Director	Sitting fees	Professional fees	Total
Anand Cherukupalli	30,000	Nil	30,000
Venkateswara Rao Krishna Murthy Jujhvarapu	Nil	Nil	Nil
Nalini Nadupalli	Nil	Nil	Nil
Pudhota Partha Saradhi	Nil	Nil	Nil
Anil Valluri	Nil	Nil	Nil
Bhaskar Pramanik	Nil	Nil	Nil
<b>Total</b>	<b>30,000</b>	Nil	<b>30,000</b>

- (iii) No stock options were granted to the Directors during the financial year 2017-18.

**(8) Stakeholders Relationship Committee:**

The Committee is entrusted with the responsibility to resolve the grievances of stakeholders and strengthening of Investor relations and was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend,. The Committee comprises:

Name	Designation	Category	Number of meetings during the financial year 2017-18	
			Entitled to Attend	Attended
Mr. JV Rao***	Chairman (up to 1 <sup>st</sup> December, 2017)	Independent, Non-Executive	3	3
Mr. Anand Cherukupalli***	Member (up to 1 <sup>st</sup> December, 2017)	Independent, Non-Executive	3	3
Mr. N. Srinivas***	Chairman (up to 1 <sup>st</sup> December, 2017)	Executive Director	3	3
Mr. Pudhota Partha Saradhi	Chairman (from 1 <sup>st</sup> December, 2017)	Non- Executive	4	4
Mr. N. Sridhar	Member (from 1 <sup>st</sup> December, 2017)	Executive Director	1	1
Mr. Bhaskar Pramanik **	Member (from 1 <sup>st</sup> December, 2017)	Independent, Non- Executive	1	1

\*\*Appointed w.e.f. 29<sup>th</sup> November, 2017

\*\*\* Resigned with w.e.f. 1<sup>st</sup> December, 2017

### Meetings:

During the financial year the Stakeholder's Relationship Committee met Four times i.e. on 27<sup>th</sup> May, 2017, 12<sup>th</sup> August, 2017, 6<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018 and necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Committee.

### Name and designation of Compliance Officer:

Ms. Munmun Baid has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 1<sup>st</sup> October, 2018.

Email id for investor grievances is comp.officer@sankhya.net

### Details of investor complaints received and resolved from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	7	7	0

The Company ensures that the investor's correspondence is attended expeditiously and Endeavour is made to send a satisfactory reply within three days of receipt, except in cases that are constrained by disputes or legal impediments. There are no pending share transfer complaints as on March 31<sup>st</sup>, 2018.

## (9) GENERAL BODY MEETINGS

### a. Location and time, about last three Annual General Meetings held

The following are the details of the last three Annual General Meetings held:

Financial Year	Date	Time	Venue	Special Resolution(s) passed
2014-15	26.12.2015	4:00 P.M.	Hotel Sitara Grand, Road No 12, Banjara Hills, Beside Income Tax Office, Hyderabad - 500034, Telangana	Nil
2015-16	29.09.2016	4:00 P.M.	Hotel Sitara Grand, Road No 12, Banjara Hills, Beside Income Tax Office, Hyderabad-500034, Telangana	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Anand Cherukupalli as an Independent Director of the Company.</li> <li>Re-appointment of Mr. N. Sridhar as Managing Director of the Company.</li> </ul>
2016-17	28.11.2017	4:00 P.M.	Plaza Hotel, Opposite Greenland's Beside CM Camp Office, Begumpet, Hyderabad - 500016, Telangana	<ul style="list-style-type: none"> <li>Adoption of Articles of Association as per the provisions of the Companies Act, 2013</li> <li>Alteration of Memorandum of Association by deleting other objects.</li> <li>To Issue Convertible Equity Warrants on Preferential basis to Promoter/Promoter Group.</li> <li>To Issue Convertible Equity Warrants on Preferential Basis to Non-Promoter Individuals (Investors)</li> <li>Issue of equity shares on preferential basis to other.</li> <li>Appointment of M/s. Ravi Rajan &amp; Co. as Statutory Auditors to fill the casual vacancy.</li> </ul>





**b. Postal Ballot Resolution:**

No resolution was passed through postal ballot during the year. No resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

**(10) MANAGEMENT DISCUSSION AND ANALYSIS:**

The management discussion and analysis forms an integral part of the Annual report and annexed separately. **(Annexure IV)**

**(11) MEANS OF COMMUNICATION**

As per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining a functional website – www.sankhya.net containing the information about the Company viz. details of business, financial information, shareholding pattern, annual reports, Company’s policies, results and contact information of the designated officials of the Company for handling investor grievances. The website is updated from time to time.

- Quarterly/half-yearly/annual financial results are generally published in any of the following newspapers: Financial Express and Nav Telangana. The results are also posted on the Company’s website www.sankhya.net and on the website of stock exchanges www.bseindia.com.
- The annual report of the Company is available on the Company’s website in a user-friendly and downloadable form.
- The Company has designated an E-mail ID exclusively for investor servicing i.e. comp.officer@sankhya.net. Investors may raise any queries, complaints or provide suggestions through the said e-mail id.

**Official News Releases**

The Company’s official news releases and media releases are made available to the shareholders by way of displaying on the web site of the Company at www.sankhya.net. All the information about the Company is promptly sent through email and also posted to the Stock Exchange where the shares of the Company are listed and are released to press, where ever required, for information of public at large.

**(12) GENERAL SHAREHOLDER INFORMATION**

**a. 21<sup>st</sup> Annual General Meeting**

- Day & Date : Wednesday, 28<sup>th</sup> November, 2018
- Time : 12.00 Noon.
- Venue : The Plaza Hotel  
Opp Greenland’s Beside CM Camp office,  
Begumpet, Hyderabad – 500016, Telangana

**b. The financial year of the Company** is from 1<sup>st</sup> April to 31<sup>st</sup> March of the following year.

**c. Dividend Payment Date:** Not Applicable

**d. Listing on Stock Exchanges:** The BSE Limited (BSE)

<b>Name and Address of Stock Exchange at which the listed entity’s securities are listed</b>	BSE Limited (BSE), Phiroze Jeejebhoy Towers, Dala Street, Fort, Mumbai-400001
--	---

**Listing Fees:** The Company confirms that it has paid annual listing fees to BSE for the financial year 2018-19

**e. Stock Code**

- Security ID / Symbol : SANKHYAIN
- ISIN : INE877A01013
- Scrip Code : 532972
- CIN : L72200TG1997PLC045396

**f. Financial Calendar:** For the FY 2018-19 (Tentative Schedule)

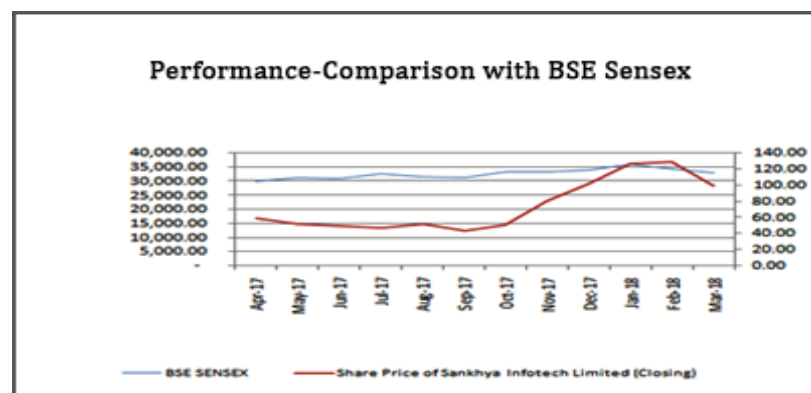
Financial Results	Cut-off Date
Unaudited first quarter financial results	On or before August 14,2018
Unaudited second quarter financial results	On or before November 14,2018
Unaudited third quarter financial results	On or before February 14,2019
Approval of audited annual results for year ending 31 <sup>st</sup> March, 2019	On or before May 30, 2019

**g. Date of Book Closure :** 22<sup>nd</sup> November, 2018 to 28<sup>th</sup> November, 2018 (both days inclusive)

**h. Market Price Data**

The monthly high and low quotations and volume of shares traded on BSE.

Month	High	Low	No. of shares Traded
April, 2017	69.70	54.70	24,43,272
May, 2017	60.80	44.70	10,36,072
June, 2017	59.40	47.50	10,30,591
July, 2017	53.30	46.00	8,92,670
August, 2017	52.20	38.55	8,69,599
September, 2017	56.15	42.90	10,07,326
October, 2017	51.80	43.00	5,31,127
November, 2017	82.35	47.10	29,43,389
December, 2017	102.90	77.50	23,12,231
January, 2018	158.50	105.70	29,27,163
February, 2018	151.35	103.25	12,60,269
March, 2018	131.00	85.70	8,44,309

**Performance in comparison to BSE SENSEX****i. Equity Shares in the Suspense Account**

In terms of Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports that none of the shares are in the demat suspense account or unclaimed suspense account.

**j. Registrars to an issue and Share Transfer Agents**

Karvy Computershare Private Limited,  
Karvy Selenium Tower-B, Plot No.31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally ,  
Hyderabad-500032, Telangana

Tel: +91 40-67161602, 67162222

Fax: +91 40-23311968, 23469667/668

Email: einward.ris@karvy.com

URL: www.karvycomputershare.com

**k. Share Transfer System:**

The Board of Directors of the Company has delegated the powers of share transfers, splitting, consolidation of share certificates and issue of duplicate shares, dematerialisation and rematerialisation of shares etc. to Share Transfer Committee. The Committee attends the share transfer formalities at least once in a fortnight. The Registrar and Share Transfer Agents register the shares received for transfer in physical mode, within 15 days from the date of lodgment, if documents are complete in all respects.

**I. Shareholding Pattern of the Company & Distribution of shareholding as on 31<sup>st</sup> March 2018:****Shareholding Pattern of the Company**

Category code	Category of shareholder	No. of shareholders	Total No. of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Promoter And Promoter Group</b>			
(1)	Indian	7	27,20,019	20.69
(2)	Foreign	-	-	-
	<b>Total shareholding of promoter and promoter group</b>	<b>7</b>	<b>27,20,019</b>	<b>20.69</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	3	5,56,568	4.23
(2)	Foreign Portfolio Investors	1	3,07,000	2.34
(3)	Non-Institutions	9,666	95,61,618	72.74
(3)	<b>Central Government/ State Government(s)/ President of India</b>	-	-	-
	Total public shareholding	9,670	1,04,25,186	79.31
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-
(1)	Promoter and Promoter Group	-	-	-
(2)	<b>Public</b>	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>9,677</b>	<b>1,31,45,205</b>	<b>100.00</b>

**Distribution of shareholding as on 31<sup>st</sup> March, 2018:**

Slab of Share holding	No. of Shareholders	% to Total Holding	Amount in (Rs.)	% to Total
Upto - 5000	7907	81.74	1,12,13,120	8.53
5001 - 10000	708	7.32	58,85,280	4.48
10001 - 20000	416	4.30	65,89,960	5.01
20001 - 30000	189	1.95	48,36,120	3.68
30001 - 40000	83	0.86	29,62,430	2.25
40001 - 50000	108	1.12	51,06,700	3.88
50001 - 100000	132	1.36	98,89,840	7.52
100001 and above	134	1.35	8,49,68,600	64.65
<b>TOTAL</b>	<b>9,677</b>	<b>100.00</b>	<b>13,14,52,050</b>	<b>100.00</b>

**m. Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March 2018, 1,28,88,962 Equity Shares of Rs.10/- each aggregating to 98.05% are being held with NSDL & CDSL in demat form of the paid up capital & the rest 2,56,243 aggregating to 1.95% are in physical form. The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE877A01013.

The particulars of Shares held in demat form and physical form follows are as follows:

S. No.	Category	Total No of Shares	% of Equity
1	PHYSICAL	2,56,243	1.95
2	NSDL	82,65,404	62.88
3	CDSL	46,23,558	35.17
	<b>Total</b>	<b>1,31,45,205</b>	<b>100.00</b>

**n. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

As on 31<sup>st</sup> March, 2018, the Company did not have any outstanding GDRs /ADRs or any Convertible instruments.

However during the year, the Company has issued and allotted 14,51,852 convertible equity warrants to Promoter/Promoter group and 4,00,000 convertible equity warrants to Non-Promoter Individuals (Investors). The details are as follows:

**Warrants:****Promoter/Promoter group**

Sr. No.	Allottees	No. of warrants allotted
1	N. Ramakrishana Rao	2,67,000
2	N Parvatavardhani	1,92,478
3	N Indira Ramani	7,90,821
4	N Gayatri	2,01,553
<b>Total</b>		<b>14,51,852</b>

**Non-Promoter Individuals (Investors)**

Sr. No.	Allottees	No. of warrants allotted
1	Mr. P Aditya	1,00,000
2	Mr. G Ravindran	1,00,000
3	Mr. SR Christopher	1,00,000
4	Mrs. V Neelima	1,00,000
<b>Total</b>		<b>4,00,000</b>

The warrants will be converted at any time before the expiry of 18 months from the date of allotment i.e. 09.01.2018. After full conversion of warrants there will be increase in number of equity shares from 1,31,45,205 to 1,49,97,057.

**o. Commodity price risk or foreign exchange risk and hedging activities: NIL****p. Address for correspondence**

Sankhya Infotech Limited  
L72200TG1997PLC045396  
H. No 8-2-686/DB/19, Mount View Enclave, Road  
No. 12, MLA Colony, Banjara Hills  
Hyderabad-500034, Telangana  
Phone: +91 4030246300  
Fax: +91 40 27136343  
Email Id: info@sankhya.net

**Address for correspondence w.e.f 1<sup>st</sup> Nov, 2018.**

Sankhya Infotech Limited  
L72200TG1997PLC045396  
Dwaraka Central, Plot No. 57,  
Survey No. 74 & 75, Jaihind Enclave,  
Madhapur Village,  
Hyderabad – 500081, Telangana.  
TEL: +91 9908124562  
Email Id: info@sankhya.net

**(13) OTHER DISCLOSURE****a. Disclosures on materially significant related party that may have potential conflict with the interests of the company at large**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature and value of the transactions.

The Company has adopted a Related Party Transactions Policy. The policy is available on website of the company at <http://www.sankhya.net/Policies.aspx> - Related Party Policy.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

**b. Details of non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

No non-compliance by the Company was observed during the last three years nor any penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets.

**c. Whistle Blower policy, Vigil Mechanism and affirmation that no personnel has been denied access to the Audit Committee**

The Company has adopted the Whistle blower Policy and established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct. It also provides adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee during the year. The policy is available on website of the company at <http://www.sankhya.net/Policies.aspx> - Vigil Mechanism.



**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Regulation.**

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

**e. Website Disclosure**

The company is maintaining a functional website <http://www.sankhya.net>. All the information as specified under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on daily basis under Investor column of the website. For more information, kindly visit <http://www.sankhya.net> – Investors

**f. Material Subsidiaries**

The Company has following three subsidiary companies.

- a) Sankhya SARL, France
- b) Mahasena Info Technologies India Pvt Ltd. **(MTPL)\*\***
- c) Sankhya US Corporation

**\*\*MAHASENA INFO TECHNOLOGIES INDIA PRIVATE LIMITED has been struck off from the register of companies and the said Company is dissolved with effect from 27.08.2018.**

The Board of Directors has adopted the policy and procedures with regard to determination of Material Subsidiaries. This policy deals with determination of Material Subsidiaries of Sankhya Infotech Limited in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (as amended from time to time) which states that the Company shall formulate a policy for determination of the Material Subsidiary and the policy is intended to ensure the governance framework of material subsidiary companies. The policy is available on the website of our company <http://www.sankhya.net/Policies.aspx>.

**(14) Compliance:** The Company has complied with all requirements of Corporate Governance Report mentioned in the sub para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

**(15) A Additional Disclosures**

**a) Reconciliation of share capital audit**

As stipulated by SEBI, a qualified Company Secretary-in-Practice & Qualified Chartered Accountant carries out a reconciliation of share capital audit, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital with the stock exchanges. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with depositories). The audit report is being submitted on quarterly basis to the stock exchanges.

**b) Policy on Performance Evaluation**

During the year under review, the Company has adopted the Policy on Performance Evaluation to carry out performance evaluation of Board, Committees and Directors. The said policy is available on the website of the Company at <http://www.sankhya.net/Policies.aspx>.

**c) Risk Management Policy**

During the year under review, the Company has adopted the Risk Management Policy to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. The said policy is available on the website of the Company at <http://www.sankhya.net/Policies.aspx>.

**d) Policy on Board Diversity**

During the year under review, the Company has adopted Policy on Board Diversity to increase diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The said policy is available on the website of the Company at <http://www.sankhya.net/Policies.aspx>.

**e) CEO/CFO certification**

Mr. N. Sridhar, Chairman & Managing Director of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of Annual Report.

**DECLARATION UNDER CODE OF CONDUCT**

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year ended on 31<sup>st</sup> March, 2018.

Date: 29<sup>th</sup> October, 2018  
Place: Hyderabad

Sd/-  
**N. Sridhar**  
Chairman & Managing Director  
DIN: 00089548

**Annexure: II****Form AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures****"Part A Subsidiaries"**

(Information in respect of each Subsidiary to be presented with amounts in **Rupees in Lakhs**)

Sl.No.	Particulars	1	2	3
1	Name of the Subsidiary	Mahasena Info Technologies India Private Limited	Sankhya SARL, France	Sankhya US Corporation
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Rs	Rs	Rs
4	Share capital	10.00	1.73	46.72
5	Reserves and surplus	(10.00)	(1.73)	(235.60)
6	Total assets	NIL	NIL	NIL
7	Total Liabilities	NIL	NIL	188.88
8	Investments	NIL	NIL	NIL
9	Turnover	NIL	NIL	NIL
10	Profit (Loss) before taxation	NIL	NIL	NIL
11	Provision for taxation	NIL	NIL	NIL
12	Profit (Loss) after taxation	NIL	NIL	NIL
13	Proposed Dividend	NIL	NIL	NIL
14	% shareholding	100 %	100%	100%

Names of Subsidiaries which are yet to commence operations: **NIL**

Names of Subsidiaries which have been liquidated or sold during the year: *MAHASENA INFO TECHNOLOGIES INDIA PRIVATE LIMITED has been struck off from the register of companies and the said Company is dissolved with effect from 27.08.2018.*

**"Part B Associates and Joint Ventures"**

The Company does not have any Associate Companies and Joint Ventures.

As per our report of even date

**For M/s. Ravi Rajan & Co.**

Chartered Accountants  
Firm Registration No: 009073

Sd/-  
**Jayanth A**  
**Partner**  
M. No. 231549

For **Sankhya Infotech Limited**

Sd/-  
**N Sridhar**  
Chairman & Managing Director  
DIN: 00089548

Sd/-  
**Partha S Pudhota**  
Director  
DIN: 02783203

**Place:** Hyderabad  
**Date:** 29.10.2018



**EXTRACT OF ANNUAL RETURN  
MGT-9**

**as on the financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L72200TG1997PLC045396
Registration Date	21/07/1997
Name of the Company	Sankhya Infotech Limited
Category / Sub-Category of the Company	Company Limited by Shares and Non-Government
Address of the Registered office and contact details	H. No 8-2-686/DB/19, Mount View Enclave, Road No. 12, MLA Colony, Banjara Hills, Hyderabad, Telangana - 500034.
Whether listed company : Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana.  Tel : 91+40-67161602, 67162222 Fax : 91+40-23311968, 23469667/668 Email : einward.ris@karvy.com URL : www.karvycomputershare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Service Activities	63	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Sankhya SARL France	478890099	Subsidiary	100	2(87)
2	Mahasena Info Technologies (India) Private Limited**	U72200TG2006PTC050101	Subsidiary	100	2(87)
3	Sankhya US Corporation	SRV060773107	Subsidiary	100	2(87)

\*\*MAHASENA INFO TECHNOLOGIES INDIA PRIVATE LIMITED has been struck off from the register of companies and the said Company is dissolved with effect from 27.08.2018.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>1. Indian</b>									
(a) Individual/HUF	26,43,048	0	26,43,048	23.50	26,55,719	0	26,55,719	20.20	-3.30
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	64,300	0	64,300	0.57	64,300	0	64,300	0.49	- 0.08
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>27,07,348</b>	<b>0</b>	<b>27,07,348</b>	<b>24.08</b>	<b>27,20,019</b>	<b>0</b>	<b>27,20,019</b>	<b>20.69</b>	<b>-3.38</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Foreign</b>									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other		0		0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>27,07,348</b>	<b>0</b>	<b>27,07,348</b>	<b>24.08</b>	<b>27,20,019</b>	<b>0</b>	<b>27,20,019</b>	<b>20.69</b>	<b>-3.38</b>
<b>(B) Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	5,56,568	0	5,56,568	4.95	5,56,568	0	5,56,568	4.23	-0.72
(c) Central Govt/State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investors	0	0	0	0.00	3,07,000	0	3,07,000	2.34	2.34
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>5,56,568</b>	<b>0</b>	<b>5,56,568</b>	<b>4.95</b>	<b>8,63,568</b>	<b>0</b>	<b>8,63,568</b>	<b>6.57</b>	<b>1.62</b>
<b>2. Non- Institutions</b>									
(a) Bodies Corp	13,85,950	11,100	13,97,050	12.42	7,53,604	11,100	7,64,704	5.82	6.61
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	37,83,735	1,96,643	39,80,378	35.40	39,86,990	1,93,143	41,80,133	31.80	-3.60
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	23,04,752	52,000	23,56,752	20.96	41,87,566	52,000	42,39,566	32.25	11.29
Others (Specify)									
(c) NRI (Repatriation)	99,367	0	99,367	0.88	1,74,325	0	1,74,325	1.33	0.44
(d) NRI (Non-Repatriation)	1,15,673	0	1,15,673	1.03	1,24,321	0	1,24,321	0.95	-0.08
(e) Clearing members	32,069	0	32,069	0.29	74,869	0	74,869	0.57	0.28
(f) NBFC	0	0	0	0	3,700	0	3,700	0.03	0.03
<b>Sub-Total (B)(2)</b>	<b>77,21,546</b>	<b>2,59,743</b>	<b>79,81,289</b>	<b>70.98</b>	<b>93,05,375</b>	<b>2,56,243</b>	<b>95,61,618</b>	<b>72.74</b>	<b>1.76</b>
Total Shareholding of Public = (B) (1) + (B) (2)	82,78,114	2,59,743	85,37,857	75.92	1,01,68,943	2,56,243	1,04,25,186	79.31	3.38
Total (A+B)	1,09,85,462	2,59,743	1,12,45,205	100.00	1,28,88,962	2,56,243	1,31,45,205	100.00	0.00
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>1,09,85,462</b>	<b>2,59,743</b>	<b>1,12,45,205</b>	<b>100.00</b>	<b>1,28,88,962</b>	<b>2,56,243</b>	<b>1,31,45,205</b>	<b>100.00</b>	<b>0.00</b>





(ii) Shareholding of Promoters:

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	N. Srinivas	4,70,873	4.19	-	4,70,873	3.58	-	-0.61
	N. Gayatri	6,26,109	5.57	-	6,26,109	4.76	-	-0.81
	Sankhya Management Services Limited	64,300	0.57	-	64,300	0.49	-	-0.08
	N. Nalini	50,000	0.44	-	62,671	0.48	-	0.04
	N. Indira Ramani	5,13,770	4.57	-	5,13,770	3.91	-	-0.66
	N. Parvatavardhani	5,71,444	5.08	-	5,71,444	4.35	-	-0.73
	N. Sridhar	4,10,852	3.65	-	4,10,852	3.13	-	-0.52
	<b>Total</b>	<b>27,07,348</b>	<b>24.07</b>	<b>-</b>	<b>27,20,019</b>	<b>20.70</b>	<b>-</b>	<b>-3.37</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	<b>N. Srinivas</b>	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	4,70,873	4.19	4,70,873	4.19
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>4,70,873</b>	<b>3.58</b>	<b>4,70,873</b>	<b>3.58</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
2	<b>N. Indira Ramani</b>	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	5,13,770	4.57	5,13,770	4.57
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>5,13,700</b>	<b>3.91</b>	<b>5,13,770</b>	<b>3.91</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
3	<b>N. Sridhar</b>	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	4,10,852	3.65	4,10,852	3.65
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>4,10,852</b>	<b>3.13</b>	<b>4,10,852</b>	<b>3.13</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
4	<b>N. Gayatri</b>	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	6,26,109	5.57	6,26,109	5.57
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>6,26,109</b>	<b>4.76</b>	<b>6,26,109</b>	<b>4.76</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
5	<b>N. Parvatavardhani</b>				
	<b>At the Beginning of the Year</b>	5,71,444	5.08	5,71,444	5.08
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>5,71,444</b>	<b>4.35</b>	<b>5,71,444</b>	<b>4.35</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
6	<b>N. Nalini</b>				
	<b>At the Beginning of the Year</b>	50,000	0.44	50,000	0.44
	Increase /Decrease during the period	12,671	0.04	62,671	0.48
	<b>At the End of the Year</b>	<b>62,671</b>	<b>0.48</b>	<b>62,671</b>	<b>0.48</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	<b>Sankhya Management Services Ltd</b>				
	<b>At the Beginning of the Year</b>	64,300	0.57	64,300	0.57
	Increase /Decrease during the period	-	-	-	-
	<b>At the End of the Year</b>	<b>64,300</b>	<b>0.49</b>	<b>64,300</b>	<b>0.49</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	<b>Partha Saradhi Pudhota</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the Year (Allotment on 16.03.2018)	19,00,000	14.45	19,00,000	14.45
	<b>At the End of the Year</b>	<b>19,00,000</b>	<b>14.45</b>	<b>19,00,000</b>	<b>14.45</b>
2	<b>IDBI Bank Ltd</b>				
	At the Beginning of the Year	5,53,268	4.92	5,53,268	4.92
	Increase /Decrease during the Year	0	0	5,53,268	4.21
	<b>At the End of the Year</b>	<b>5,53,268</b>	<b>4.21</b>	<b>5,53,268</b>	<b>4.21</b>
3	<b>Passage To India Master Fund Limited</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the Year (Purchased during the year)	3,07,000	2.34	3,07,000	2.34
	<b>At the End of the Year</b>	<b>3,07,000</b>	<b>2.34</b>	<b>3,07,000</b>	<b>2.34</b>
4	<b>Ajay Shivnarain Upadhyaya</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the Year	1,23,000	0.94	1,23,000	0.94
	<b>At the End of the Year</b>	<b>1,23,000</b>	<b>0.94</b>	<b>1,23,000</b>	<b>0.94</b>



5	<b>Prabhudas Lilladher Private Limited</b>				
	At the Beginning of the Year	1,09,176	0.97	1,09,176	0.97
	Increase /Decrease during the Year (Sold During the year)	-1,09,176	0.97	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
6	<b>Vimal Sagarmal Jain</b>				
	At the Beginning of the Year	1,05,300	0.94	1,05,300	0.94
	Increase /Decrease during the Year (Sold During the year)	-1,05,300	0.94	0	0.00
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7	<b>PCS Securities Limited</b>				
	At the Beginning of the Year	489	0.00	489	0.00
	Increase /Decrease during the Year	1,03,833	0.79	1,04,322	0.79
	<b>At the End of the Year</b>	<b>1,04,322</b>	<b>0.79</b>	<b>1,04,322</b>	<b>0.79</b>
8	<b>Systematix Fincorp India Limited</b>				
	At the Beginning of the Year	1,00,241	0.89	1,00,241	0.89
	Increase /Decrease during the Year	-1,00,241	0.00	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
9	<b>Utkarsh Palnitkar</b>				
	At the Beginning of the Year	1,00,000	0.89	1,00,000	0.89
	Increase /Decrease during Year	-1,557	0.00	98,443	0.75
	<b>At the End of the Year</b>	<b>98,443</b>	<b>0.75</b>	<b>98,443</b>	<b>0.75</b>
10	<b>Sarah Faisal Hawa</b>				
	At the Beginning of the Year	97,223	0.86	97,223	0.86
	Increase /Decrease during the Year	-97,223	0.86	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	<b>N. Sridhar</b>				
	At the Beginning of the Year	4,10,852	3.65	4,10,852	3.65
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>4,10,852</b>	<b>3.13</b>	<b>4,10,852</b>	<b>3.13</b>
2	<b>N. Srinivas</b>				
	At the Beginning of the Year	4,70,873	4.19	4,70,873	4.19
	Increase /Decrease during the period	0	0.00	0	0.00
	<b>At the End of the Year</b>	<b>4,70,873</b>	<b>3.58</b>	<b>4,70,873</b>	<b>3.58</b>
3	<b>Anand Cherukupalli</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>4</b>	<b>Venkateswara Rao Krishna Murthy Jujhvarapu</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5</b>	<b>N. Nalini</b>				
	At the Beginning of the Year	50,000	0.44	50,000	0.44
	Increase /Decrease during the period	12,671	0.04	62,671	0.48
	<b>At the End of the Year</b>	<b>62,671</b>	<b>0.48</b>	<b>62,671</b>	<b>0.48</b>
<b>6</b>	<b>Pudhota Partha Saradhi</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	19,00,000	14.45	19,00,000	14.45
	<b>At the End of the Year</b>	<b>19,00,000</b>	<b>14.45</b>	<b>19,00,000</b>	<b>14.45</b>
<b>7</b>	<b>Aditi Jha</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8</b>	<b>Bhaskar Pramanik</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9</b>	<b>Anil Valluri</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**VI. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,413.05	453.26	-	2,866.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,413.05</b>	<b>453.26</b>	<b>-</b>	<b>2,866.31</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction	(7.46)	(118.36)	-	(125.82)
<b>Net Change</b>	<b>(7.46)</b>	<b>(118.36)</b>	<b>-</b>	<b>(125.82)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,405.59	334.90	-	2,740.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,405.59</b>	<b>334.90</b>	<b>-</b>	<b>2,740.49</b>

**Note:** Due to applicability of IND AS opening balances have been re-stated.



**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt in Rs.)**

S. No	Particulars of Remuneration	Name of Managing Director/ Whole Time Director		Total Amount
		N. Sridhar		
1	Gross salary			
(a)	Salary payable* as per provisions contained in section 17(1) of the Income-tax Act, 1961		36,00,000*	36,00,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission - as % of profit - others, specify		-	-
5	Others, please specify Leave Encashment		-	-
<b>Total (A)</b>			<b>36,00,000</b>	<b>36,00,000</b>
<b>Ceiling as per the Act</b>		<b>The remuneration is well within the limits prescribed under the Companies Act 2013.</b>		

**B. Remuneration to other Directors: (Amt in Rs.)**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ch. Anand	Mr. J.V. Rao	Ms. N. Nalini	Mr. Pudhota Partha Saradhi	
	Independent Directors /Non-Executive Directors					
	• Fee for attending board / committee meetings	30,000	-	-	-	30,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
<b>Total (B)</b>						<b>30,000</b>
<b>Total Managerial Remuneration (A+B)</b>						<b>36,30,000</b>
<b>Overall Ceiling as per the Act</b>		<b>The remuneration is well within the limits prescribed under the Companies Act 2013.</b>				

**C. Remuneration to Key Managerial Personnel other than Managing Director, whole Time Director and or Manager:**

S. No	Particulars of Remuneration	Key Managerial Personnel			(Amt in Rs.)
		CEO	CS	CFO	Total Amount
1	<b>Gross salary</b>		3,52,991*	-	3,52,991
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit- others, specify	Not Applicable	-	-	-
5	Others, please specify Leave Encashment		-	-	-
<b>Total (C)</b>			<b>3,52,991</b>		<b>3,52,991</b>

\*From April, 2017 till January, 2018 - Rs. 2,99,180 paid to Ms. Kishwar Fatima  
From February, 2018 till March, 2018 - Rs. 53,811 paid to Ms. Aditi Jha

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board of Directors of  
**Sankhya Infotech Limited**

**Date:** 29<sup>th</sup> October, 2018  
**Place:** Hyderabad

Sd/-  
**N. Sridhar**  
(Chairman & Managing Director)  
DIN: 00089548

**Partha S Pudhota**  
(Director)  
DIN: 02783203

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2017-18****Annexure IV**

The following Management's Discussion and Analysis ("MD&A") is intended to help the Sankhya's shareholders to understand the results of operations and financial condition of your company. MD&A is provided as a supplement to and should be read in conjunction with the financial statements and the accompanying Notes to Financial Statements.

**Overview:**

Your company has been one of the pioneers in bringing digital transformation of training mission critical functions of aviation and defense industries. Starting with the Federal Aviation Administration USA recognition, in the first year of incorporation in 1997, as the world's first to launch internet-based training courseware for civil aviation pilots, your company was focused to deliver value to customers through its products and services. The Global Aviation Award as the best technology products for training at the World Aviation Training Conference in the US in April 2018 has established your company as a market leader in providing digital training technology for aviation and defense industry.

This year your company has successfully executed a path breaking technology solution for bringing about digital transformation in aviation training to one of its major airline customer. Digital Transformation is not about force fitting new technologies, it's about rethinking the entire model/ecosystem, and then using any and all technologies needed to implement the new vision. Building on this vision, your company has made significant progress in transforming mission critical training for every function of aviation and defense industry.

Successful implementation of Evidence Based Training, through data driven approach to analyze training data and on the job performance data, using Artificial Intelligence and Machine Learning has given your company an edge over competition. The product developed by your company was globally recognized with an award.

Your company has delivered high fidelity Virtual Reality Training platform for Pilots and Maintenance Engineers. Virtual Reality creates immersive real-life experience for trainees. Due to this Quality of training is significantly improved and has a direct benefit in terms of improving air safety and reducing training costs.

In the previous year your company launched a theme and called it "CHANGE". The understanding behind this theme was Change does not automatically mean progress. However, for Progress, Change is inevitable.

Your company continues to march on that journey for progress bringing changes in all aspects of the company and its functioning. Revising its vision, mission and articulating its goals for the next five years, your company has decided to move ahead in a rapid way.

Change may not have brought about significant visible progress. However, the changes that have been brought are going to have long-term benefit and bring progress.

**Industry structure and developments:**

Aviation and Defense industry has been growing at a faster pace, and consequent to which is the demand for training. Many of the legacy training technology providers are forced to transform their product offerings and business models. Asset light technologies with immersive training have made inroads in both aviation and defense training.

Several disruptive technology innovations have been seen during the year with an emphasis on creating an immersive training experience to trainees. According to Citibank report on Virtual and Augmented Reality, immersive training is poised to be hundreds of billions of dollars market. Your company stands to gain from this large opportunity with rich domain experience and backed by its product with high precision analytics of training.



Use of AI and Machine Learning has increased the demand for predictive training tools. The goal being to prevent failure of any kind on a mission critical function.

**Opportunities and Threats:**

Your company has been working very closely with some of the Industry leading customers, whose demands reflect the changing landscape of technology-based training. Your company has seized these opportunities and delivered leading edge technology solutions for its customers. Further your company has been receiving a lot of positive response after receiving the Global Award.

Successful implementation of Evidence Based Training, through data driven approach to analyze training data and on the job performance data, using Artificial Intelligence and Machine Learning has given your company an edge over competition.

Several disruptive technologies that create a higher degree of immersive experience are also emerging in the market. These technologies could disrupt the normal. However, since these technologies lack the distinct advantage of domain knowledge that your company has an edge in adopting these technologies.

Your company is constantly vigilant and looking for adopting path breaking solutions that can help it further increase the existing gap with the competition.

**Segment-wise consolidated performance:** (Rs. In Lakhs)

- Defense : 6,771.49
- Non Defense : 11,026.53

**Outlook:**

**Highlights of FY18 vs. FY17**

- Revenue from operations at Rs. 177.98 cr v/s Rs. 161.60 cr (10.14%)
- EBITDA before exceptional items of Rs. 21.88 cr v/s Rs. 17.61 cr (24%)
- PAT at Rs. 9.00 cr v/s Rs. 6.15 cr (+ 46%)
- EPS of Rs. 6.85 v/s EPS of Rs. 5.47 (+ 25%)

The revenue of the Company for the financial year under review on consolidation basis was Rs. 17,798.01 Lakhs as against Rs. 16,160.00 lakhs in the FYE'17 EBDITA Profit of Rs. 900.69 Lakhs, as against Rs. 583.19 lakhs in the FYE '17. EPS is 6.85 against 5.19 in previous year.

**Risks and Concerns:**

Risks of a global financial or economic crisis is significant, this could impact all industries across the spectrum. Trade wars and insular policies could hamper free movement of goods, services and people for jobs. Significant increase in prices of crude oil could dampen growth of civil aviation industry.

However, increase in territorial threats could increase defense expenditure and can have significant advantage for the company as there would be more defense spending for rapid and quality training.

Finally, your company is unlikely to face the risks of technology obsolescence as there is a continuous vigil on the technology trends and demands of customers.

**Internal control systems and their adequacy:**

Your Company has a proper and adequate system of internal control in all spheres of its activities. Moreover, the Company's Internal Audit & Control team defines and reviews the scope, coordinates and conducts Risk Based Internal Audits. Statutory and Standard Auditing Practices employed include, among other compliances to adhere to accounting and auditing standards, consideration of Laws and Regulations in an audit of financial statements, Governance and Compliance to ensure compliances, risk assessment etc. and reporting them to the Audit Committee, etc. continuously upgrades these systems in line with the best available practices.

**Discussion on financial performance with respect to operational performance:**

There has been a significant delay to fully accomplish its goal of stabilizing its cashflows. This is due to several factors - Increased pressure due to cost of borrowing, and slow return of onsite jobs to India have been major factors of concern. However, the new plan for growth takes into account the current situation and has a strategy to bring financial stability in a gradual manner.

Your company is working towards strengthening finances through various interventions such as renegotiating contracts, reduction of overseas manpower, reducing costs, and including infusion of capital.

**Material developments in Human Resources / Industrial Relations front, including number of people employed:**

People remain the most valuable asset of the Company. Your Company is professionally managed with senior management personnel having rich experience and long tenure with the Company. Your Company follows a policy of building strong teams of talented professionals. The Company encourages, appreciates and facilitates long term careers and maintains cordial and harmonious relationships with its employees.

**Cautionary Statement:**

The Board of Directors has reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus, the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**CERTIFICATION BY MD & CFO OF THE COMPANY**  
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)

To  
The Board of Directors  
Sankhya Infotech Limited

Dear Sirs,

I hereby certify that:

- A. I have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2018 and to the best of my knowledge and belief that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date : 29<sup>th</sup> October, 2018  
Place : Hyderabad

Sd/-  
**N. Sridhar**  
(Chairman & Managing Director)  
DIN: 00089548

**AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**  
(Pursuant to Regulation 34(3) read with Part E of Schedule V of SEBI (LODR), 2015)

To,  
**The Members of Sankhya Infotech Limited**

We have examined the compliance of conditions of Corporate Governance by Sankhya Infotech Limited ('the Company'), for the year ended 31<sup>st</sup> March 2018, as stipulated in Regulation 34(3) read with Part E of Schedule V of SEBI (LODR) Regulations, 2015 of the Company with the stock exchange.

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 the 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 SEBI Regulations.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2018, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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 M/s Ravi Rajan & Co.**  
Chartered Accountants  
Registration No: 009073N

Date : 29<sup>th</sup> October, 2018  
Place : Hyderabad

Sd/-  
**Jayanth A**  
Partner  
Membership No: 231549



**Disclosures required with respect to Section 197(12) of the Companies Act, 2013**

[Pursuant to Section 197(12), read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

The ratio of the remuneration of each Director to the median employee's remuneration (MRE) and such other details in terms of Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**(A) Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2017-18 are as follows:**

Name	Designation	Remuneration	Increase/(Decrease) %
N Sridhar	Chairman & Managing Director	36,00,000	-
N Srinivas	Director	-	-
Anand Cherukupalli	Independent Director	30,000	-
J V Rao	Independent Director	-	-
N Nalini	Non- Executive Director	-	-
Pudhota Partha Saradhi	Non- Executive Director	-	-
Kishwar Fatima *	Company Secretary & Compliance Officer	2,99,180	NA
Aditi Jha**	Company Secretary & Compliance Officer	53,811	NA

\* Ms. Kishwar Fatima ceased to be the Company Secretary & Compliance Officer of the Company w.e.f January 23, 2018 and hence was paid remuneration for the said designation only in the financial year 2017-18.

\*\*Ms. Aditi Jha was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. February 1, 2018 and hence was paid remuneration for the said designation only in the financial year 2017-18.

The ratio of remuneration of Mr. N. Sridhar Chairman and Managing Director to median employees is 0.83:1.

There are 230 employees on the rolls of the Company.

**(B) Affirmation that the remuneration is as per the remuneration policy of the Company.**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

**SECRETARIAL AUDIT REPORT**

To,  
The Members  
Sankhya Infotech Limited  
CIN: L72200TG1997PLC045396  
H. No 8-2-686/DB/19, Mount View Enclave  
Rd No 12, MLA Colony, Banjara Hills  
Hyderabad - 500034, Telangana

My report of even date is to be read along with this letter

- Maintenance of Secretarial records is the responsibility of the management of Sankhya Infotech Limited ("the Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

- I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Ms. Charu Golash (FCS)**  
Company Secretary in Practice  
FCS: 7325  
CP No: 8005

Place: Hyderabad  
Date: 29<sup>th</sup> October, 2018

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2018

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

To,  
The Members,  
**Sankhya Infotech Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sankhya Infotech Limited** (CIN: L72200TG1997PLC045396) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:  
(Not applicable as the Company has not issued any shares/options to directors/employees under the said Guidelines/Regulations during the Audit Period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
(Not applicable as the Company has not issued any debt securities during the Audit Period)
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and  
(Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the Audit Period)
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
(Not applicable as the Company has not brought back/proposed to buy-back any of its securities during the Audit Period.)
  - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- (vi) The industry specific acts, labour and other applicable laws as provided by the management of the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.



I have relied on representation made by the Company and its Officer for due adherence of the applicable Secretarial Standards.

- ii. The Listing Agreements entered into by the Company with BSE Limited;

I have relied on the representation made by the Company and its officer for systems and mechanism framed by the Company for compliance under the applicable Acts, Laws and Regulation to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines, Standards etc. mentioned above except as mentioned herein below:

1. The Company did not have Chief Financial Officer as required under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014

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

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period no separate events/actions have occurred which have a majority bearing on the Company's state of affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc, referred as above.

**Ms. Charu Golash (FCS)**  
Company Secretary in Practice  
FCS: 7325  
CP No: 8005

Place: Hyderabad

Date: 29<sup>th</sup> October, 2018

## **Notice to all Shareholders Holding Shares in Physical Form**

### **Re: Restriction on transfer of shares in physical form**

In terms of regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, amended, which with effect from 5th December, 2018 requests for effecting transfer of shares of listed companies shall not be processed unless the shares are held in dematerialized form.

In the view of above, shareholders are advised that to facilitate transfer of shares of the company, the same require to be dematerialized. The key steps involved in dematerialized shares are:

1. Open a demat account with a Deposit Participant (DP)
2. Submit physical share certificates(s) to the DP along with a Demat Request Form (DRF)
3. DP would inform the Depository (NSDL or CDSL) regarding the demat request
4. The DP would thereafter submit the share certificates(s) along with DRF to the Registrar of the company
5. The Registrar would validate the documents and convey Acceptance/Rejection of the demat request to the concerned Depository
6. Upon successful dematerialized of the share(s), the Registrar would update the Registrar of Members.
7. The concerned Depository would also update its record and inform the DP
8. The DP would then credit the share(s) into the demat account of the investor.

For any assistance in the matter, you may please communicate with Company's Registrar at:

Mr. Mohd Mohsin Uddin, Senior Manager  
Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Telangana.  
E-mail: einward.ris@karvy.com  
Tel. : +91 40-67161602, 67162222

## **INDEPENDENT AUDITOR'S REPORT**

### **The Members of Sankhya Infotech Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of Sankhya Infotech Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and statement of change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the Branch Auditors of the Company's Branch at Toulouse, France (herein after referred to as "Standalone Ind AS financial statement").

#### **Management's Responsibility for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error in making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a

true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2018;
- (b) In the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the profit for the Year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- (d) Changes in equity for the year ended on that date.

#### **Emphasis of Matters**

We draw attention to the following matters in the Notes to the IND AS Financial Statements:

1. Note No. 10 to the IND AS financial statements which states the Company has reported Unbilled Revenue of Rs.247.15 Lakhs. The Management is of the view that the Unbilled Revenue is entirely billable and management is in constant engagement with the Client to get the work certified and billed the same.

Our opinion is not qualified in respect of the above matter.

#### **Other Matter**

We did not audit the financial statements/information of the branch included in the Standalone financial statements of the company whose financial statements/information reflects total assets of Rs. 6551.69 lakhs as at 31<sup>st</sup> March, 2018 and total revenues of Rs 16975.83 lakhs for the year ended on that date, as considered in the Standalone financial statements. The financial statements/information of the branch has been audited by the Branch Auditors whose report has been furnished to us, and our opinion is so far it relates to the amounts and disclosures included in respect of the Branch, is based solely on the report of such auditors.

Our opinion is not qualified in respect of the above matters.

#### **Report on Other Legal and Regulatory Requirements**

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



2. As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the Information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns for the purposes of our audit have been received from branch not visited by us;
  - The reports on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by the Branch auditor has been sent to us and has been properly dealt with by us in preparing this report;
  - The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of accounts and with the returns received from the branch not visited by us;
  - In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - With respect to the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and;
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - The company has no pending litigations on its financial position.
    - There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company.

For **M/s. Ravi Rajan & Co,**  
Chartered Accountants  
Regn No:009073N

Place: Hyderabad  
Date: 26.5.2018

**Jayanth A**  
Membership No:231549

## Annexure A to the Auditors' Report

### Annexure to the Auditors' Report for the year ended March 2018

#### (Referred to in Paragraph 1 of our Report of even date)

- According to information and explanations given to us and based on the audit procedures conducted by us, the Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
  - According to information and explanations given to us and based on the audit procedures conducted by us, the company has physically verified its fixed assets during the year. As explained to us, the management verifies the fixed assets once in three years as per the program, which, in our opinion is reasonable having regard to the size of the company and nature of its assets.
  - According to information and explanations given to us and based on the audit procedures conducted by us, the company does not have any immovable properties. Hence clause 'c' of the order is not applicable.
- According to information and explanations given to us and based on the audit procedures conducted by us, there are no inventories in the company and hence Clause (ii) of order relating to physical verification of inventory is not applicable to the company for current year
- The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, Clause (a) and (b) of clause (iii) regarding regularity of receipt of the principal amount and interest and recovery of overdue amount is not applicable.
- According to the information and explanations given to us and based on the audit procedures conducted by us,
  - The company has not given any loans and advances to the parties covered under section 185 of the companies Act. Thus, there is no noncompliance of provisions of Section 185.
  - The company has not given any loans and guarantee or providing and security in connection with a loan, to any person or other body corporate and acquiring securities of any other body corporate against the provisions of Section 186 of Companies Act 2013.
- According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not accepted any deposits from public.
- The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods manufactured by the Company.
- In respect of Statutory Dues

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us some undisputed amount payable in respect , Income Tax, and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they become payable.

a) The details are as follows:

(Rs. in Crs.)

Nature of dues	Amount
TDS Payable	0.43
Income Tax	0.42

There are no dues of Income Tax / excise duty /Sales Tax which are not deposited on account of dispute.

viii. The Company has an overdue as per the below details to the Financial Institutions/bank during the year.

Name of the Financial Institutions/Bank	Amount (Rs. in Lakhs)	Period
Interest on IDBI Bank Cash Credit	102.00	3 Months

- ix. Based on our audit procedures and as per the information and explanations given by the management, the term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on audit procedures conducted by us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not a Nidhi company, clause (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on audit procedures conducted by us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies act, 2013, wherever applicable and the details have been disclosed in the financial statements etc., as required by applicable accounting standards.

- xiv. According to the information and explanations given to us and based on audit procedures conducted by us, the company has made preferential allotment of shares during the year and the terms and conditions are not prejudicial to the interest of the Company.
- xv. According to the information and explanations given to us and based on audit procedures conducted by us, as the company has not entered into any non-cash transactions with directors or persons connected with him clause (xv) of the order is not applicable.
- xvi. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not required to be registered under section 45-IA of RBI Act, 1934 clause (xvi) of the order is not applicable.

For **M/s. Ravi Rajan & Co,**  
Chartered Accountants  
Firm Regn No:009073N

Place: Hyderabad  
Date: 26.05.2018

**Jayanth A**  
Membership No:231549

## Annexure B to the Auditors' Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SANKHYA INFOTECH LIMITED

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

We have audited the internal financial controls over financial reporting of Sankhya Infotech Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **M/s. Ravi Rajan & Co,**  
Chartered Accountants  
Firm Regn No:009073N

Place: Hyderabad  
Date: 26.05.2018

**Jayanth A**  
Membership No: 231549

**SANKHYA INFOTECH LIMITED**  
**Standalone IND AS Balance Sheet as at 31<sup>st</sup> March, 2018**

Particulars	Note No	As at	As at	As at
		March <sup>st</sup> , 2018	March 31 <sup>st</sup> , 2017	March 31 <sup>st</sup> , 2016
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>I. Assets</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	3	80.22	197.29	10.20
(b) Capital work-in-progress	3	585.24	632.60	695.90
(c) Other Intangible assets	3	7,292.19	6,213.44	5,347.29
(d) Financial Assets				
(i) Investments	4	-	1.44	8.88
(ii) Financial Liabilities	5	17.11	119.30	303.33
		<b>7,974.76</b>	<b>7,164.07</b>	<b>6,365.59</b>
<b>(2) Current Assets</b>				
(a) Financial Assets				
(i) Trade receivables	6	6,575.35	6,485.40	6,111.12
(ii) Cash and cash equivalents	7	40.40	70.91	19.94
(iii) Loans	8	-	3.93	3.15
(iv) Others (to be specified)	9	-	0.59	0.53
(b) Other current assets	10	1,161.58	1,012.38	866.05
		<b>7,777.33</b>	<b>7,573.21</b>	<b>7,000.78</b>
<b>Total</b>		<b>15,752.09</b>	<b>14,737.28</b>	<b>13,366.37</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Equity Share Capital	11	1,314.52	1,124.52	1,124.52
(b) Other Equity	12	9,648.65	7,489.36	6,880.15
<b>Total Equity</b>		<b>10,963.17</b>	<b>8,613.88</b>	<b>8,004.67</b>
<b>(2) LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities	13			
(i) Borrowings		123.94	453.26	437.39
(b) Provisions	14	31.09	29.42	21.22
(c) Deferred tax liabilities (Net)	15	439.85	368.88	313.80
(d) Other non-current liabilities	16	24.67	1,473.73	636.48
		<b>619.55</b>	<b>2,325.29</b>	<b>1,408.90</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	2,605.59	2,413.05	2,681.63
(ii) Trade payables	18	578.65	561+.26	499.24
(iii) Other financial liabilities (other than those specified in item (c))	19	210.54	74.97	74.97
(b) Provisions	20	170.22	144.09	250.99
(c) Other current liabilities	21	604.37	604.74	445.97
		<b>4,169.37</b>	<b>3,798.11</b>	<b>3,952.80</b>
<b>Total Liabilities</b>		<b>4,788.92</b>	<b>6,123.40</b>	<b>5,361.70</b>
<b>TOTAL</b>		<b>15,752.09</b>	<b>14,737.28</b>	<b>13,366.37</b>





Company Information	1			
Summary of Significant Accounting Policies	2			
Additional Notes Forming Part of Financial Statements	28			

Notes referred to above form an Integral part of the statement of the Balance Sheet and should be read in conjunction therewith.

As per our report of even date  
For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**

**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549  
  
Place : Hyderabad  
Date : 26.05.2018

**Partha S Pudhota**  
Director  
DIN No. 07516057  
  
Place: Hyderabad  
Date : 26.05.2018

**Aditi Jha**  
Company Secretary  
M.No.43114  
  
Place : Hyderabad  
Date : 26.05.2018

<b>SANKHYA INFOTECH LIMITED</b>			
<b>Standalone IND AS Profit and Loss statement for the year ended 31<sup>st</sup> March, 2018</b>			
Particulars	Note No	For the Year End- ing 31 <sup>st</sup> March 2018	For the Year End- ing 31 <sup>st</sup> March 2017
		Rs in Lakhs	Rs in Lakhs
I. Revenue From Operations	22	17,798.01	16,160.00
II. Other Income	23	596.41	78.42
<b>III. Total Income (I +II)</b>		<b>18,394.42</b>	<b>16,238.42</b>
IV. Expenses:			
a. Employee Benefit Expenses	24	9,783.21	8,582.35
b. Operating Expenses	25	1,430.17	1,085.74
c. Finance Costs	26	511.10	479.97
d. Depreciation and Amortization Expense		829.30	607.58
e. Other Expenses	27	4,992.66	4,809.38
<b>IV. Total Expenses</b>		<b>17,546.44</b>	<b>15,565.02</b>
V. Profit Before Exceptional & Extraordinary Items & Tax (III -IV)		847.98	673.40
VI. Exceptional Items		-	-
<b>VII. Profit before tax (V-VI)</b>		<b>847.98</b>	<b>673.40</b>
VIII. Tax expense:			
(1) Minimum Alternate Tax		168.83	132.87
Less Mat Tax Credit Entitlement		(168.83)	(132.87)
(2) Deferred tax		69.94	58.09
(3) Income tax pertaining to previous years		(122.65)	-
<b>IX. Profit/(Loss) for the period (VII-VIII)</b>		<b>900.69</b>	<b>615.31</b>
X. <b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit & Loss Account			
- Remeasurement of defined benefit plans		3.14	(9.12)
- Less: Tax on remeasurement of defined benefit plans		(1.04)	3.02
B. (i) Items that will be reclassified to Profit & Loss Account		-	-
Tax related to items that will be reclassified to Profit & Loss Account		-	-
<b>XI. Total Comprehensive Income for the period (IX+ X)</b>		<b>902.79</b>	<b>609.21</b>
XII. Earning per equity share:			
Basic and Diluted Earnings per Share (Rs.)		<b>6.85</b>	<b>5.47</b>

Notes referred to above form an Integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

As per our report of even date

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

**Partha S Pudhotha**  
Director  
DIN No. : 07516057

**Aditi Jha**  
Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018

Place: Hyderabad  
Date : 26.05.2018

Place : Hyderabad  
Date : 26.05.2018



**SANKHYA INFOTECH LIMITED**  
**Standalone IND AS Cash Flow Statement as at 31<sup>st</sup> March, 2018**

(Rs.In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax</b>	847.98	641.28
Adjustment for:		
Depreciation & Ammortization Expense	829.30	607.58
Interest Expenses	511.10	512.09
Interest Income	(13.14)	(78.42)
Employee Benefits Exp. (Acturial Gain/Loss on Gratuity)	3.14	(9.12)
<b>Change in operating assets and liabilities</b>	<b>2,178.38</b>	<b>1,673.41</b>
Adjustment for:		
Decrease/(Increase) in Trade Receivables	(89.97)	(374.30)
Decrease/(Increase) in Short Term Loans & Advances	5.74	(6.66)
Decrease/ (Increase) in Prepaid Exp	0.59	(0.06)
Increase/(Decrease) in Short term Borrowings	200.00	(222.20)
Increase/(Decrease) in Trade Payables	17.03	166.71
Increase/(Decrease) in Other Current Liabilities	18.88	(61.97)
Increase/decrease in short term provisions	(9.85)	13.32
Increase/(Decrease) in Gratuity payable	2.08	8.61
Increase/(Decrease) in Other Current Assets	19.64	(13.47)
Increase/(Decrease) in Other Current Financial Liability	135.16	(0.41)
Increase/(Decrease) in Advance From Customer	(1,451.70)	834.89
Cash Generated from operations	1,025.98	2,017.87
Net off of Tax	29.46	19.01
<b>Net Cash from /(Used) in Operating Activities</b>	<b>996.52</b>	<b>1,998.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,743.61)	(1,597.53)
Decrease/(Increase) in Long Term Loans & Advances	17.99	111.46
Interest Received	13.14	78.42
<b>Net Cash from/(Used) in Investing Activities</b>	<b>(1,712.48)</b>	<b>(1,407.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long term borrowings	(245.13)	15.87
Increase/(Decrease) in Other Long term Liabilities	2.64	2.36
Interest Paid	(511.10)	(512.09)
Issue of Equity Share Capital	190.00	-
Security Premium on issue of Equity share Capital	875.33	-
Share Warrant application	381.17	-
<b>Net Cash from/(Used) in Financing Activities</b>	<b>692.91</b>	<b>(493.86)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(23.05)</b>	<b>97.35</b>
<b>Opening Cash and Cash Equivalents</b>	<b>(2,342.14)</b>	<b>(2,439.49)</b>
<b>Closing Cash and Cash Equivalents</b>	<b>(2,365.19)</b>	<b>(2,342.14)</b>

Note: As per IND AS 7 - Cash flow statement, the CC limits (demand liability) is considered as essential cash management and hence the same is classified as Cash & Cash equivalents.

For and on behalf of board of directors

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**

Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

**Partha Pudhotta**  
Director  
DIN No. : 07516057

**Aditi Jha**  
Company Secretary  
M.No.43114

Place: Hyderabad  
Date : 26.05.2018

Place: Hyderabad  
Date : 26.05.2018

Place : Hyderabad  
Date : 26.05.2018

**Statement of Change in Equity as on 1<sup>st</sup> April 2017**

Particulars	Equity	Other Equity						Total Equity
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	Share Warrants Money	Geneale Reserves	Retained Earnings	Other Comprehensive Income	
Balance as at 31/03/2016 (AS Adjust-ment)	1,124.52	84.03	1,521.88	-	37.40	4,664.01	0	7,431.84
Add/Less Transition impact due to IND AS Adjustment	-	-	-	-	-	587.82	(14.99)	572.83
<b>Restated as on 01/04/2016 (As Per IND AS)</b>	<b>1,124.52</b>	<b>84.03</b>	<b>1,521.88</b>	<b>-</b>	<b>37.40</b>	<b>5,251.83</b>	<b>(14.99)</b>	<b>8,004.67</b>
Profit for the year	-	-	-	-	-	615.31		615.31
Acturial Gain/(Loss) net of tax for the year 16-17	-	-	-	-	-		(6.10)	(6.10)
<b>Balance as on 31/03/2017 (As Per IND AS)</b>	<b>1,124.52</b>	<b>84.03</b>	<b>1,521.88</b>	<b>-</b>	<b>37.40</b>	<b>5,867.15</b>	<b>(21.10)</b>	<b>8,613.88</b>
Additions in share Capital	190.00	-	875.33					1,065.33
Profit for the year						900.69		900.69
Acturial Gain/(Loss) net of tax for the year 17-18							2.10	2.10
Addition in Share warrants Money				381.17				381.17
<b>Balance as on 31/03/2018 (As Per IND AS)</b>	<b>1,314.52</b>	<b>84.03</b>	<b>2,397.21</b>	<b>381.17</b>	<b>37.40</b>	<b>6,767.84</b>	<b>(18.99)</b>	<b>10,963.17</b>

As per our report of even date

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

Place : Hyderabad  
Date : 26.05.2018

**Partha Pudhota**  
Director  
DIN No. 07516057

Place: Hyderabad  
Date : 26.05.2018

**Aditi Jha**  
Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018



## Note No 1 – Company Information

Sankhya is a leading software products and services company serving the rapidly growing niche markets of Training, Education, Modeling and Simulation. The company has developed several Software products targeted in the area of Education, Training and Learning and owns 100% of the "Intellectual Property" in them. The company's services include software services around the products, development of Simulation software for specific customer needs, courseware, besides providing consulting support to customers. The company has established operations in France and UAE. The company has diverse clients from across several continents, and is a well-established name in the field of Education, Training & Simulation.

Sankhya's vision is to ensure the success of global organizations by providing them with intelligent learning platforms and content to enable them to continuously re-skill and enhance the effectiveness of their employees, adapting to the changing world.

Our mission is to enhance the organizational effectiveness of mission critical enterprises by providing continuous experiential training and enriching the competency of people in core functions!!

## Note No 2 - Significant Accounting Policies

### 1. Basis of preparation of financial statements

The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

#### First-time Adoption of Ind AS

The opening financial statements have been prepared in accordance with "Indian Accounting Standard 101 (First time Adoption of Indian Accounting Standards). The opening financial statements comprise Balance Sheet, Statement of Change in equity and its related notes.

The adopted accounting policies comply with each IND AS effective at the end of its first IND AS reporting period i.e. 31st March 2017, except as specified in paragraphs 13–19 and Appendices B–D of IND AS 101. In the opening financial statements:

- (i) All assets and liabilities have been recognized as required by Ind AS.
- (ii) All assets and liabilities have been derecognized which are not permitted by Ind AS.
- (iii) All assets, liabilities or components of equity have been reclassified in accordance with Ind AS.
- (iv) All assets and liabilities have been measured in accordance with Ind AS.

The accounting policies used by the Company in its opening financial statement may differ from those previously used in accordance with Indian Generally Accepted Accounting Principles (GAAP) or the previous GAAP. The resulting adjustments, which have arisen for events and transactions before the date of transition to Ind AS, have been directly recognized in retained earnings at the date of transition to Ind-AS i.e. April 1, 2016 (or, if appropriate, another category of equity) at the date of transition to Ind ASs.

The Company estimates in accordance with Ind ASs at the date of transition to Ind ASs are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company has explained how the transition from previous GAAP to Ind ASs has affected its reported Balance Sheet and Profit & Loss. Accordingly, the Company's first Ind AS financial statements includes:

- (a) Reconciliation of its equity reported in accordance with previous GAAP to its equity in accordance with Ind ASs for both of the following dates:
  - i) The date of transition to Ind ASs; and
  - ii) The end of the latest period presented in the Company's most recent annual financial statements in accordance with previous GAAP.
- (b) Reconciliation of its total comprehensive income in accordance with Ind ASs for the latest period in the Company's most recent annual financial statements. The starting point for that reconciliation is the profit or loss under previous GAAP.

The Company's first Ind AS financial statements includes three Balance Sheets, two Statements of Profit & Loss, two Statements of Cash Flows and Two Statements of Changes in Equity and related notes, including comparative information for all statements presented.

The Company's first financial statements have been prepared in accordance with the Ind AS prescribed. The preparation of the Company's first financial statements in conformity with Ind AS requires the Company to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances and presented under the historical cost convention on accrual basis of accounting.

However, in preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

## **A) Exemption and exceptions availed**

In the Ind AS Opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

### **A.1 Ind AS optional exemptions**

#### **A.1.1 Property, plant and equipment & Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### **A.2 Ind AS mandatory exceptions**

#### **A.2.1 Estimates**

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

#### **A2.2 Classification and measurement of financial assets**

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

#### **A2.3 Derecognition of financial assets and liabilities**

As per Ind AS 101 an entity should apply de-recognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

## **B) Transition to Ind AS –Reconciliation**

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



**i) Reconciliation of equity as at April 1, 2016 and as at March 31, 2017**

**(Rs. In Lakhs)**

	April 1, 2016			March 31, 2017		
	Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
(a) Property, Plant and Equipment	10.20	0.00	10.20	197.29	0.00	197.29
(b) Capital work-in-progress	695.90	-	695.90	632.60	-	632.60
(c) Other Intangible assets	5,347.28	0.00	5,347.29	6,213.43	(0.01)	6,213.44
(d) Intangible assets under development	-		-	-	-	
(e) Financial Assets						
(i) Investments	58.45	49.57	8.88	58.45	57.01	1.44
(ii) Loans***	352.36	49.03	303.33	134.22	14.93	119.29
Current assets						
(a) Financial Assets						
(i) Trade receivables	6,111.12		6,111.12	6,485.40	-	6,485.40
(ii) Cash and cash equivalents	19.94		19.94	70.91	-	70.91
(iii) Loans	-	(3.15)	3.15	-	(3.93)	3.93
(iv) Others (to be specified)	18.28	17.75	0.53	51.58	50.99	0.59
(b) Other current assets	310.04	(556.01)	866.05*	290.99	(721.39)	1,012.38*
<b>Total Assets</b>	<b>12,923.57</b>	<b>(442.80)</b>	<b>13,366.37</b>	<b>14,134.88</b>	<b>(602.40)</b>	<b>14,737.28</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

\* The company had not recognised MAT credit in the Books by omission, the same is considered and adjusted with retained earnings subsequently.

**ii) Reconciliation of profit for the year ended March 31, 2017**

**(Rs. In Lakhs)**

	Previous GAAP*	Adjustments	Ind AS
<b>INCOME</b>			
Revenue from operations	16,160.00	-	16,160.00
Other income	15.93	62.49	78.42
<b>Total Income</b>	<b>16,175.93</b>	<b>62.49</b>	<b>16,238.42</b>
<b>EXPENDITURE</b>			
Employee benefits expenses	8,591.47	(9.12)	8,582.35
Other Operating expenses	1,085.74	-	1,085.74
Administrative Expenses	3,188.15	-	3,188.15
Finance expenses	425.12	54.85	479.97
Depreciation and amortization	607.58	-	607.58
Other expenses	1,613.79	7.44	1,621.23
<b>Total Expenses</b>	<b>15,511.85</b>	<b>53.17</b>	<b>15,565.02</b>
<b>Profit before tax</b>	<b>664.08</b>	<b>9.32</b>	<b>673.40</b>
Current Tax	132.87	0.00	132.87
MAT Credit Entitlement	0.00	(132.87)*	(132.87)*
Deferred tax	55.00	3.08	58.09
<b>Total Tax Expense</b>	<b>187.87</b>	<b>(129.78)</b>	<b>58.09</b>

<b>Profit for the year</b>	<b>476.21</b>	<b>139.10</b>	<b>615.31</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss (net of tax)</b>			
- Net actuarial gains/(losses) on defined benefit plans	-	(6.10)	(6.10)
<b>Other comprehensive income for the year, net of income tax</b>	-	(6.10)	(6.10)
<b>Total comprehensive income for the year</b>	<b>476.21</b>	<b>133.00</b>	<b>609.21</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**iii) Reconciliation of total equity as at March 31, 2017 and April 1, 2016 (Rs. In Lakhs)**

	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Total equity (shareholder's funds) as per previous GAAP	7,908.05	7,431.84
<b>Adjustments:</b>		
Recognition of financial liability at amortized cost	119.25	145.80
Unwinding of financial assets measured at amortized cost	(14.32)	(48.50)
Impairment of financial assets	(57.01)	(49.57)
Tax impact of above adjustments	(15.83)	(15.76)
MAT credit entitlement recognised as asset*	673.73	540.88
Total adjustments	705.82	587.82
<b>Total Equity as Per Ind AS</b>	<b>8613.87</b>	<b>8,004.67</b>
<b>*The company had not recognised MAT credit in the Books by omission, the same is considered and adjusted with retained earnings subsequently.</b>		

**iv) Reconciliation of total comprehensive income for the year ended March 31, 2017 (Rs. In Lakhs)**

	<b>March 31, 2017</b>
Profit after tax as per previous GAAP	476.21
<b>Adjustments:</b>	
Recognition of financial liability at amortized cost	(26.54)
Unwinding of financial asset at amortised cost	34.18
Actuarial loss on defined benefit plans recognised in Other comprehensive income (net of tax)	6.10
Impairment of financial assets	(7.44)
Deferred tax impact of above adjustments	(0.07)
<b>Total adjustments</b>	<b>6.23</b>
<b>Profit after tax as per Ind AS</b>	<b>482.44</b>
<b>Other comprehensive income (net of tax):</b>	
Actuarial loss on defined benefit plans	(6.10)
<b>Total comprehensive income as per Ind AS before MAT Credit entitlement adjustment</b>	<b>476.34</b>
Add :- MAT Credit Entitlement	132.87
<b>Total Comprehensive Income as Per Ind AS</b>	<b>609.21</b>





## Notes to first-time adoption:

### a) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an agreed transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1— Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2— Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### b) Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial asset is any assets that is

Cash;

An equity instrument of another entity;

A contractual right:

(i) To receive cash or another financial asset from another entity; or

(ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or A contract that will or may be settled in the entity's own equity instruments and is:

(i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include current and non-current investments, loan to employees and body corporate, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

A contractual obligation :

(i) To deliver cash or another financial asset to another entity; or

(ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

A contract that will or may be settled in the entity's own equity instruments and is:

(i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities include Loans, trade payable and eligible current and non-current liabilities.

Transitional provisions in opening balance sheet as per Ind AS 101

The Company designates a previously recognized financial asset/financial liability as a financial asset/ financial liability measured at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

The Company has assessed whether a financial asset meets the conditions w.r.t. classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind ASs, practically feasible.

### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

### **Recognition**

Financial assets and financial liabilities are recognized when and only when the Company becomes party to the contractual provisions of the instrument.

### **Initial Measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **Subsequent measurement of financial assets**

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

### **Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



Income is recognized on an effective interest basis for debt instruments other than those financial assets which are classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

**c) Employee benefits :**

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

As a result, profit for the year ended March 31, 2018 decreased by Rs. 2.10 (net of tax) with corresponding increase in Other comprehensive income during the year.

For the year ended March 31, 2017, profits increased by Rs. 6.10 (net of tax) with corresponding decrease in Other comprehensive income during the year.

**d) Trade receivables :**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As the company does not have trade receivables with aging above 6 months, the ECL has not been provided for in the books of accounts.

**e) Deferred taxes**

The above changes increased (decreased) the deferred tax asset as follows based on a tax rate of 33.03 per cent:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**f) Retained earnings :**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**g) Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax). Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**h) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**2. Use of estimates**

The preparation of financial statements in conformity with Ind ASs requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**3. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can reliably be measured.

**Revenue from Services:**

- Time and material contracts– Revenues are recognized on the basis of time spent duly approved by the respective customers.
- Fixed price contracts – Revenues are recognized on the basis of approval received from the respective customers in accordance with the "Percentage of Completion" method.
- Internal timesheets or timesheets submitted by vendors for time and material contracts and for fixed price contracts based upon assessment of work done.

Other Income – In other income such as income from interest is recognized using the time proportion method, based on rates implicit in the transaction.

#### 4. Expenditure

All software development and services purchased are charged to cost of revenue in at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise the year of acquisition. Provisions are made for all known losses and liabilities. Where ever applicable leave encashment liability is provided on the basis of actuarial valuation.

#### 5. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. "Cost means" cost of bringing the asset to its working condition for its intended use. Property, plant and equipment are capitalized as per IND AS 16 as notified by the Chartered Accountants of India. Capital work in progress comprises of the expenditure incurred in the process of developing the intangible assets for the time being and the assets are not yet ready for their intended use as at the date of Balance sheet.

Depreciation is required to be provided on the basis of the useful lives of the assets as estimated by management in the manner prescribed under Section 123 read with Schedule II of the Companies Act, 2013. Accordingly, the company has adopted the Depreciation Policy for Tangible Assets in line with Schedule II of the Companies Act, 2013.

The Company has availed the exemption provided in IND AS 101- "First Time Adoption of IND AS" and has stated the PPE at existing cost as deemed cost.

#### 6. Intangible Fixed Assets and amortization

Intangible assets other than goodwill are valued at cost less amortization. These generally comprise of costs incurred to acquire computer software licenses and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility. Research costs are charged to earnings as they arise. Costs incurred for applying research results or other knowledge to develop new products, are capitalized to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise. Intangible assets are reported at acquisition value with deductions for accumulated amortization and any Impairment losses. Amortization is provided on a written down value basis over the asset's anticipated useful life.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years. An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

#### 7. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## **8. Retirement and other employee benefits**

### **i) Retirement benefit costs**

Payments to retirement benefit plans such as provident fund are recognized as an expense.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **ii) Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees. The contributions as specified under the law are paid to the Provident Fund set up as irrevocable trust by the Company or to the Regional Provident Fund Commissioner. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfall, if any, are recognized in the Statement of Profit and Loss as an expense in the year incurred.

Expenses for gratuity and supplemental payment plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees

The contributions to Gratuity are made to fund administered by the Life Insurance Corporation of India (LIC).

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Long term compensated absences is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary.

## 9. Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 10. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

### i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted upto the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

### ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there be sufficient taxable profits against which to utilize the benefits of the temporary differences and are expected to reverse in the foreseeable future.

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

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in the said asset is created by way of credit to the statement of profit and loss as disclosed as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable Company and the same taxation authority.

### **iii) Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### **11. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### **12. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **13. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

### **14. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **15. Trade payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### **16. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

### **17. Compound financial instruments**

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible instrument using the effective interest method.

### **De-recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### **18. Unbilled Revenue**

The work in progress is the unbilled amount for the contracts that are in execution stage and the client deliverables are either in testing phase or certification/ acceptance stage, Therefore revenue is not recognized. The same is accounted for at Cost.

### **19. Investments**

Long Term Investments in wholly owned subsidiary are at cost less impairment. Current Investment are valued at the lower of cost and fair value.

### **20. Research and development**

Capital Expenditure incurred on research and development is depreciated over the estimated life of related assets and the revenue expenditure is expensed as incurred.





## **21. Foreign currency transactions Initial Recognition**

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period-

- (i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- (ii). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- (iii). Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **Exchange Differences**

Exchange differences arising on the settlement of monetary items at rates difference from those at which they were initially recorded during the year, or reported in previous financial expenses in the year in which they arise.

### **Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

### **Translation of foreign branch**

The financial statements of an integral foreign operation at France are translated as if the transactions of the foreign operation have been those of the company itself.

## **22. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

## **23. Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash flows are reported taking the indirect method, wherein net profit before tax is adjusted for the transactions of non-cash nature and others or other accruals of past or future receipts and / or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

## **24. Segment Reporting**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue / Expenses / Assets / Liabilities".

## **25. Trade receivables**

Trade receivables are recognized initially at fair value and all are considered as current subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## 26. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset and that transactions are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

### De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the Company recognizes its interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. On de-recognition of a financial asset, other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of financial asset between the part it continues to recognize under continuing involvement, and the part that is no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in the statement of profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.



**NOTE NUMBER : 3**  
**FIXED ASSETS AS ON 31<sup>st</sup> March, 2018**

**(Rs. In Lakhs)**

Sl. No.	Particulars	As on 01.04.2017	Gross Block			Depreciation / Amortization			Net Block	
			Total Additions during the year	Sale / Deletions during the year	Gross block As on 31.03.2018	Accumulated Depreciation as on 01.04.2017	Depreciation for the year 2017-18	Accumulated Depreciation as on 31.3.2018	As on 31.03.2018	As on 31.03.2017
<b>1</b>	<b>TANGIBLE FIXED ASSETS</b>									
a	Plant & Machinery	15.33%	-	-	167.61	69.64	27.43	97.07	70.54	97.98
b	Air Conditioners	15.33%	-	-	6.77	6.43	0.21	6.64	0.13	0.34
c	Projector	20.00%	-	-	4.27	4.25	-	4.25	0.02	0.02
d	Computers	40.00%	0.54	-	130.93	31.58	90.03	121.61	9.32	98.81
e	Furniture	18.10%	0.13	-	160.09	159.82	0.06	159.88	0.21	0.14
	<b>Total of Tangible Assets (A)</b>		0.67	-	469.00	271.72	117.73	389.45	80.22	197.29
<b>2</b>	<b>INTANGIBLE FIXED ASSETS</b>									
a	Learning Management Products	10.00%	158.61	-	2,799.02	1,281.95	141.27	1,423.22	1,375.80	1,358.46
b	Training Management Products	10.00%	357.60	-	2,787.31	709.57	188.74	898.31	1,888.99	1,720.14
c	Advanced simulation lab	10.00%	-	-	533.45	183.16	35.03	218.19	315.26	350.29
d	Simulator Products	10.00%	563.34	-	1,648.52	438.80	95.20	534.00	1,114.52	646.38
e	Knowledge Based Content	10.00%	672.75	-	3,247.82	1,126.28	179.54	1,305.82	1,941.99	1,448.79
f	Optimization Products	10.00%	38.03	-	552.12	200.66	34.20	234.86	317.26	313.43
g	Sage CRM Server 200	10.00%	-	-	4.21	3.96	0.03	3.98	0.22	0.25
h	Vstudio Team Ed(5 Users)	10.00%	-	-	6.48	4.68	0.18	4.86	1.62	1.80
i	Unity liscence	10.00%	-	-	0.76	0.26	0.05	0.31	0.45	0.50
j	Online Examination System	10.00%	-	-	480.46	107.05	37.34	144.39	336.07	373.41
	<b>Total of Intangible Assets (B)</b>		1,790.33	-	12,060.15	4,056.37	711.58	4,767.95	7,292.19	6,213.45
	<b>CAPITAL WORK IN PROGRESS</b>		(47.36)	-	585.24	-	-	-	585.24	632.60
	<b>GRAND TOTAL (A+B)</b>		1,743.64	-	13,115.06	4,328.09	829.30	5,157.39	7,957.65	7,043.33

**CURRENT ASSETS**

<b>NOTE NO. 4 : FINANCIAL ASSETS- INVESTMENTS</b>				
<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup> April, 2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
	<b>Non- Current Investments</b>			
	1) Investment in Subsidiaries			
	a) Equity Shares (Unquoted)			
	• Sankhya SARL, France and 100% of holding	-	-	-
	• Sankhya US Corporation, US and 100% of holding	-	-	-
	• Mahasena Info Technologies (India) Pvt Ltd, and 100% of holding	-	1.44	8.88
	<b>Total Investments</b>	-	<b>1.44</b>	<b>8.88</b>
	<b>Note (4):</b> Investments for the above subsidiaries are tested for Impairment at the end of each year. Accordingly Impairment loss has been booked leading to NIL value of Investments for the year ended 31.03.2018			

<b>NOTE NO. 5 : FINANCIAL ASSETS - LOANS AND ADVANCES</b>				
<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup> April, 2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
	<b>Long - Term Loans and Advances</b>			
	<b>a) Security Deposit</b>			
	Unsecured & Considered good Refer Note 5(a)	17.11	35.11	35.06
	<b>b) Loans and Advances to Related Parties</b>			
	Unsecured & Considered good Refer Note 5(b)	-	84.19	267.68
	<b>c) Prepaid Exp. Related to rent deposits</b>	-	-	0.59
	<b>Note No.5 (a):</b> EMD is provided for the various projects and Central Excise . As these security deposits does not carry any interest , the carrying amount is shown at fair value as per IND AS			
	<b>Note No.5 (b):</b> The advance of Rs. 540.51 lakhs was given to its subsidiary M/s. Sankhya US Corporation . The Entire amount of Rs.94.30 lakhs (Principal Rs. 84.19 along with interest of Rs.10.11 lakhs) was repaid during the current year.			
	<b>Total Loans and Advances</b>	<b>17.11</b>	<b>119.30</b>	<b>303.33</b>

**CURRENT ASSETS**

<b>NOTE NO. 6 : FINANCIAL ASSETS - TRADE RECEIVABLES</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	Outstanding for a Period of less than 6 months Unsecured, Considered Good	6,575.35	6,480.22.	6,105.94
	Outstanding for a Period of more than 6 months Unsecured, Considered Good	-	5.18	5.18
	<b>Note:</b> As the company does not have any receivables beyond 6 months, the expected credit loss (ECL) has not been provided in the books of accounts.			
	<b>Total Trade Receivables</b>	<b>6,575.35</b>	<b>6,485.40</b>	<b>6,111.12</b>

<b>NOTE NO. 7 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	a) Cash and Cash Equivalents :			
	1) Balances with Banks in Current Accounts in India	2.40	25.29	6.93
	2) Balances with Banks in Current Accounts outside India	37.90	45.59	12.99
	3) Cash on Hand	0.10	0.03	0.02
	<b>Total Cash and Cash Equivalents</b>	<b>40.40</b>	<b>70.91</b>	<b>19.94</b>

<b>NOTE NO. 8 : FINANCIAL ASSETS - LOANS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	Interest Accrued	-	3.93	3.15
	<b>Total Loans</b>	<b>-</b>	<b>3.93</b>	<b>3.15</b>

<b>NOTE NO. 9 : FINANCIAL ASSETS - OTHERS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	Prepaid Exp related to Security Deposit (Rent)	-	0.59	0.53
	<b>Total Others</b>	<b>-</b>	<b>0.59</b>	<b>0.53</b>

**NOTE NO. 10 : OTHER CURRENT ASSETS**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> -Apr-2016
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
1	Unbilled Revenue ( Refer Note below)	247.15	278.18	306.89
2	Advance for Expenditure	53.26	51.58	18.28
3	Service Tax Input	-	8.88	-
4	TDS Receivable	4.06		
5	Input Credit-GST	14.53		
6	Mat tax credit Entitlement	842.58	673.74	540.88
	<b>Note No.10:</b> Unbilled Revenue as at 31/03/18 is Rs.247.15 (previous Rs.278.18). As per the management Unbilled revenue is equal to "Service cost incurred " and the amounts would be billed and accepted by the customers as there is a firm agreement supporting the same.			
	<b>Total Other Current Assets</b>	<b>1,161.58</b>	<b>1,012.38</b>	<b>866.05</b>

**NOTE NO. 11 : SHARE CAPITAL**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> -Mar-2017	
		No. of Shares	Rs in Lakhs	No. of Shares	Rs in Lakhs
a	Share Capital (For each class of capital)				
	Authorised 1,50,00,000 Equity Shares of Rs. 10/- each	150.00	1,500.00	150.00	1,500.00
	Issued, Subscribed and Paid up				
	1,31,452,050 Equity Shares of Rs.10/- each, fully paid	131.45	1314.52	112.45	1,124.52
	The company has issued 19 Lakhs shares through preferential allotment at the face value of Rs.10/- each during the year.				
	<b>Total Equity Share capital</b>		<b>1,314.52</b>		<b>1,124.52</b>
b	Reconciliation of the Number of Shares Outstanding at the Beginning and at the end of the Reporting Period:	<b>No. of Shares</b>		<b>No. of Shares</b>	
	<b>Equity Shares of Rs.10 Each, Fully paid up:</b>				
	At the Beginning		112.45		112.45
	Issued During the year		19.00		-
	Forfeited / Bought Back During the Year		-		-
	<b>At the End</b>		<b>131.45</b>		<b>112.45</b>
c	Details of Shareholder Holding more than 5% Shares of the Company:	<b>% of Share Holding</b>			
	<b>Equity Shares of Rs. 10 each Held By</b>	No of Shares	Percentage	No of Shares	Percentage
	Paratha Saradhi Pudhota	19,00,000.00	14.45	-	-
	Parvatha Vardhani N	-	-	5,71,444	5.08%
	Gayatri N	-	-	6,26,109	5.57%



**NOTE NO. 12 : OTHER EQUITY**

S. No.	Particulars	As at	As at	As at
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> -Apr-2016
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>I</b>	<b>RESERVES AND SURPLUS</b>			
a)	<b>Capital reserve</b>			
	As at the commencement of the year	84.03	84.03	84.03
	Add: Additions during the year (forfeiture of share application money)	-	-	-
	<b>Tota Capital Reserve</b>	<b>84.03</b>	<b>84.03</b>	<b>84.03</b>
b)	Securities Premium Reserve			
	As at the commencement of the year	1,521.88	1,521.88	1,521.88
	Add: Additions during the year	875.33	-	-
	<b>Total Securities Premium Reserve</b>	<b>2,397.21</b>	<b>1,521.88</b>	<b>1,521.88</b>
c)	General Reserves			
	As at the commencement of the year	37.40	37.40	37.40
	<b>Total General Reserve</b>	<b>37.40</b>	<b>37.40</b>	<b>37.40</b>
d)	Share warrants Money	<b>381.17</b>	-	-
e)	Surplus			
	Opening Balance - Profit and Loss Account	5,867.15	5,251.83	5,251.83
	Add: Transfer from Profit & Loss Account	900.69	615.31	
	<b>Total</b>	<b>6,767.84</b>	<b>5,867.15</b>	<b>5,251.83</b>
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation)	(18.99)	(21.10)	(14.99)
	Closing Balance	<b>6,748.84</b>	<b>5,846.05</b>	<b>5,236.84</b>
	<b>Total Reserves and Surplus</b>	<b>9,648.65</b>	<b>7,489.36</b>	<b>6,880.15</b>

**Note 12 (b):** Preferential allotment of 19 lakhs shares has been made at a premium of Rs 46.07 per share during the year

**Note 12(d):** The Board of the company has approved the allotment of 18,51,852 shares of Rs.10 face value at a premium of Rs.39.07 per share to promoters and non promoters. upfront amount of Rs.381.17 lakhs is kept as share warrant money by the company and shall issue share warrant fully convertible into equity shares upon the receipt of the entire amount within the specified period of 18 months.

**NON-CURRENT LIABILITIES**

<b>NOTE NO.13 : FINANCIAL LIABILITY- BORROWINGS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	<b>Unsecured</b>			
	- Form Related Parties Refer Note No.13	37.57	369.01	276.90
	- From Others Refer Note No. 13	86.37	84.25	160.49
	<b>Note No.13:</b> The unsecured loan and advances are taken from other related parties. As the loans does not carry any interest, the carrying amount is shown at fair value based on ERR			
	<b>Total Borrowings</b>	<b>123.94</b>	<b>453.26</b>	<b>437.39</b>

<b>NOTE NO.14 : LONG TERM PROVISIONS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	Gratuity payable (Non Current Liability)	26.81	29.42	21.22
<b>(ii)</b>	Leave Encachment(Non Current Liability)	4.28	-	-
	<b>Total Long Term Provisions</b>	<b>31.09</b>	<b>29.42</b>	<b>21.22</b>

<b>NOTE NO.15 : DEFERRED TAX LIABILITY ( NET )</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	
<b>(i)</b>	Opening Deferred Tax Liability	368.88	313.80	320.17
	Add:Deferred Tax Liability for the Year	69.94	58.09	(8.30)
	Less: Deferred Tax Assets on Expenditure disallowed u/s 40A(7) of Income Tax Act	-		1.93
	Other OCI accounted for the year 2017-18	1.03	(3.02)	-
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>439.85</b>	<b>368.88</b>	<b>313.80</b>



**NOTE NO.16 : OTHER LONG TERM LIABILITIES**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	Advances from Customers (Security Deposit related)	-	1,451.70	616.81
(ii)	Security Deposit has been shown at Fair value as per IND AS	24.67	22.03	19.67
	<b>Total Other Long Term Liabilities</b>	<b>24.67</b>	<b>1,473.73</b>	<b>636.48</b>

**CURRENT LIABILITIES****NOTE NO. 17: FINANCIAL LIABILITIES - BORROWINGS**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	<b>Short Term Borrowings related)</b>	-		
	a) Loans Repayable on Demand:			
	From Banks	2,405.59	2,413.05	2,459.43
	Secured Refer Note No. 17			
(ii)	<b>Term loan payable with in 12 months</b>			78.00
(iii)	<b>Term Loans:</b>			
	From Other Parties:			
	Unsecured - Refer Note No. 17	200.00	-	135.00
	Interest accrued and due on above	-	-	9.20
	Note No.17(i): The Working capital loan was taken from IDBI Bank Ltd which was secured by first charge on all current assets of the Company and Second charge on all fixed Assets of the Company, Mortgage of land belongs to Mrs. N. Parvata Vardhani which is situated at Yadaram Village, Medchal and pledge of shares belonging to promoter Director in favour of IDBI Bank Ltd, Branch Hyderabad and it is further secured by personal guarantee of Promoter Director.IDBI Bank has sanctioned the Cash credit limits of Rs.22.00 Crores and Working Capital Term Loan of Rs.2.47 Crores on 1.4.2017.			
	Note No. 17(ii) Unsecured loan of Rs 200 lakhs has been brought during the year from other parties			
	<b>Total Short Term Borrowings</b>	<b>2,605.59</b>	<b>2,413.05</b>	<b>2,681.63</b>

**NOTE NO. 18 : FINANCIAL LIABILITIES - TRADE PAYABLES**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	a) Trade Payables			
	Micro, Small, Medium Enterprises			
	Others	578.65	561.26	499.24
	Note: Based on the Information available with the Company there are no suppliers who are registered as Micro, Small & Medium Enterprises under the Micro Small Medium Enterprises Development Act 2006, as at 31 <sup>st</sup> March 2018 or as at the end of previous year. Therefore the question of liability towards interest in terms of section 16 of Micro, Small & Medium Enterprise development act 2006 does not arise.			
	<b>Total Short Term Payables</b>	<b>578.65</b>	<b>561.26</b>	<b>499.24</b>

**NOTE NO. 19 : FINANCIAL LIABILITIES -OTHER CURRENT**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	Gratuity payable	1.99	1.58	1.17
(ii)	Interest Payable & Interest Accrued	196.54	73.39	73.80
(iii)	Loan from Related party	10.96	-	-
(iv)	Leave Encashment payable	1.05	-	-
	<b>Total Other Current Liabilities</b>	<b>210.54</b>	<b>74.97</b>	<b>74.97</b>

**NOTE NO.20 : FINANCIAL LIABILITIES - PROVISIONS**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	MAT Payable ( Net off TDS receivable for current year Rs.4.06 Lakhs, previous year Rs.0.07 Lakhs)	168.85	132.87	239.77
(ii)	Other Provisions	1.37	11.22	11.22
	<b>Total Short Term Provisions</b>	<b>170.22</b>	<b>144.09</b>	<b>250.99</b>

**NOTE NO.21: OTHER CURRENT LIABILITIES**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	Provision for Income Tax	365.86	385.11	164.37
	Service Tax Payable/(Input Credit)	-	-	52.16
	TDS Payable	42.59	41.92	63.85
	Salaries Payable	149.99	137.29	129.01
	ESI Payable	5.00	5.00	5.00
	PF Payable	38.85	33.30	27.54
	PT Payable	2.01	0.05	2.03
	other payables	0.07	2.07	2.01
	<b>Total Short Term Provisions</b>	<b>604.37</b>	<b>604.74</b>	<b>445.97</b>



<b>NOTE NO. 22 : REVENUE FROM OPERATIONS</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> Mar 2018</b>	<b>For the Year Ended 31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>Revenue from operations</b>		
	(a) Income from Services		
	Domestic Income	24.33	21.85
	Overseas Income	17,773.68	16,138.15
	<b>Total Revenue From Operations</b>	<b>17,798.01</b>	<b>16,160.00</b>

<b>NOTE NO. 23 : OTHER INCOME</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended 3<sup>rd</sup> Mar 2018</b>	<b>For the Year Ended 31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>(a) Interest Income</b>	12.41	62.49
	Interest on financial assets not at Fair value through profit and loss - Deposit EMD and others		
	<b>(b) Other Interest -</b>	0.73	15.93
	<b>(c) Net Foreign Exchange Gain</b>	582.47	-
	<b>(d) Misc Income</b>	0.80	-
	<b>Total Other Income</b>	<b>596.41</b>	<b>78.42</b>

<b>NOTE NO. 24 : EMPLOYEE BENEFIT EXPENSES</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> Mar 2018</b>	<b>For the Year Ended 31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>(a) Salaries &amp; Wages</b>	9,769.90	8,576.75
	<b>(b) Contribution to Provident &amp; Other Funds</b>	11.74	4.41
	<b>(c) Staff Welfare Expenses</b>	1.57	1.19
	<b>Total Employee Benefit Expenses</b>	<b>9,783.21</b>	<b>8,582.35</b>

As per IND AS 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plans:**

**PROVIDENT FUND**

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year:

<b>Particulars</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
Contribution to Provident Fund	4.71	3.84
<b>Defined Benefit Plans:</b>		
a. Gratuity	-2.19	9.12
b. Leave Encashment	<b>5.33</b>	<b>0</b>

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy. The company has funded the Gratuity liability with Group Gratuity Scheme of Life Insurance Corporation of India Ltd.

**Valuations in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:**

**GRATUITY**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Discount Rate per annum (Compound)	8.00%	8.00%
Rate of increase in Salaries	4.00%	4.00%
Expected Rate of Return on Plan Assets	8.25%	8.25%
Expected Average remaining working lives of employees in no. of years	29.30 Years	29.63 Years

**Summary of Key Information - Gratuity****i. Changes in Defined Benefit Obligation:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs in Lakhs	Rs in Lakhs
Present Value of obligation 01.04.2017	31.57	23.45
Interest Cost	2.53	1.87
Current Service Cost	2.85	2.7
Actuarial (Gain) / Loss	-7.57	4.6
Benefits paid	0	-1.05
Present Value of obligation as at 31.03.2018	29.38	31.57

**ii. Changes in Fair Value of Plan Assets:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs in Lakhs	Rs in Lakhs
Fair Value of Plan Assets as at 01.04.2017	0.58	1.05
Adjustment in opening balance	0	0
Expected Return on Plan Assets	0	0.06
Employer Contribution	0	0.52
Actuarial Gain/(Loss)	0	0
Benefits Paid	0	-1.05
Fair Value of Plan Assets as at 31.03.2018	0.58	0.58

**iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs in Lakhs	Rs in Lakhs
Present Value of obligations as at 31.03.2018	29.38	31.57
Fair Value of Plan Assets as at 31.03.2018	-0.58	-0.58
Present Value of unfunded obligation as at 31.03.2018	28.80	30.99
Unfunded Net Liability recognised in Balance Sheet	28.80	30.99



**iv. Expenses recognised in statement of Profit and Loss:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs in Lakhs	Rs in Lakhs
Current Service Cost	2.85	2.7
Interest Cost	2.53	1.87
Net Acturial (Gain) / Loss	-7.56	4.6
Expected Return on Plan Assets	-0.01	-0.06
Others		
Total Expenses recognised in statement of Profit and Loss A/c	-2.19	9.12
Expected Employer contribution for next year	-2.19	9.12

**NOTE NO. 25 : OTHER OPERATING EXPENSES**

S. No.	Particulars	For the Year Ended 31st Mar 2018	For the Year Ended 31st Mar 2017
		Rs in Lakhs	Rs in Lakhs
<b>(i)</b>	<b>Operating Expenses</b>		
	(a) Computer Hardware & Accessories	106.17	62.53
	(b) Technical Assistance	120.89	134.14
	(c) Simulation Software Services	189.82	113.97
	(d) Power & Fuel	27.15	29.31
	(e) Rent	99.71	102.85
	(f) Repairs & Maintenance - Computers	201.80	179.62
	(g) Insurance	44.42	44.57
	(h) Legal fee	0.75	4.20
	(i) Rates & Taxes	629.20	397.38
	(j) Miscellaneous Expenditure	10.26	17.17
	<b>Total Operating Expenses</b>	<b>1,430.17</b>	<b>1,085.74</b>

**NOTE NO. 26 : FINANCE COST**

S. No.	Particulars	As at 31st-Mar-2018	As at 31st Mar 2017
		Rs in Lakhs	Rs in Lakhs
<b>(i)</b>	<b>(a) Interest Expenses:</b>		
	- Interest on Cash Credit	410.47	382.71
	- Interest on term loan	-	5.35
	- Loan Processing Charges	11.16	-
	- Interest on Unsecured Loan	22.06	22.58
	- Bank charges	10.38	14.48
	<b>(b) Interest on financial assets not at Fair value through profit and loss -</b>	57.03	54.85
	<b>Total Finance Cost</b>	<b>511.10</b>	<b>479.97</b>

<b>NOTE NO.27 : OTHER EXPENSES</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	<b>Administrative Expenses</b>		
	(a) Telephone, Postage and Others	68.91	81.44
	(b) Business Promotion Expenses	794.00	773.88
	(c) Conveyance	365.70	326.33
	(d) Office Maintenance	57.75	48.68
	(e) Printing & Stationery Expenses	29.08	43.42
	(f) Managerial Remuneration	36.00	36.00
	(g) Professional Charges	2,275.63	1,867.22
	(h) Director Sitting Fee	0.30	0.40
	(i) Payment to Auditors:		
	(i) Audit Fee	5.00	4.00
	(ii) Tax Audit Fee	1.50	1.00
	(iii) Audit Reimbursement of Expenses	0.82	0.06
	(iv) Branch Audit Fee	7.91	5.72
<b>(ii)</b>	<b>Other Expenses</b>		
	(a) Staff Recruitment & Training Expenditure	78.02	67.90
	(b) Advertisement	3.41	3.89
	(c) Communication charges	69.68	60.70
	(d) Books & Periodicals	1.81	1.77
	(e) Membership & Subscriptions	6.90	6.43
	(f) Annual maintenance & Other expenses	3.36	1.85
	(g) Travel Expenditure	361.00	300.24
	(h) Net Foreign Exchange Loss	-	366.03
	(i) Research & Development Expenses	819.24	804.42
	(j) AGM Expenses	1.00	0.56
	(k) Bad debts	4.20	
	(l) Impairment of Investment	1.44	7.44
	<b>Total Other Expenses</b>	<b>4,992.66</b>	<b>4,809.38</b>

**NOTE NO. 28 – OTHER NOTES**

1.

**(Rs.in lakhs)**

	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March,</b>	<b>31<sup>st</sup> March,</b>
	<b>2018</b>	<b>2017</b>
<b>Contingent liability not provided for in respect of:</b>	Nil	60.18
(Performance bank guarantees given to clients)		



2. **Research and Development** - The Company has in – House Research & Development Centre involved in developmental activities for new products in the fields of Simulation and Training. Details of Capital & Revenue Expenditure incurred are as detailed below.

(Rs in Lakhs)

Expenditure	2017-18	2016-17
Employee Cost	810.64	795.98
Rent	5.22	5.19
Electricity	3.39	3.25
<b>Total</b>	<b>819.24</b>	<b>804.42</b>

3. **Segment Information as per Accounting Standard IND AS - 108** - The Company has identified two types of reporting segments at standalone level viz., Business Segment and Geographical Segments. Business Segments identified as Defense & Non-Defense and Geographical segments identified as Domestic and Overseas. Segments have been identified and reported taking into account nature of products and services the differing risks, returns and the internal business reporting systems. Accounting policies adopted for segment reporting are in line with Accounting Policy of the company and are in accordance with the IND AS - 108.

**BUSINESS SEGMENT**

(Rs in Lakhs)

Sl. No.	Particulars	Defense		Non-Defense		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	<b>REVENUE</b>						
	External Turnover	6771.49	6469.34	11026.53	9690.66	17798.02	16160.00
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL REVENUE</b>	<b>6771.49</b>	<b>6469.34</b>	<b>11026.53</b>	<b>9690.66</b>	<b>17798.02</b>	<b>16160.00</b>
2	<b>RESULTS</b>						
	<b>Operating profit</b>	<b>472.28</b>	<b>438.29</b>	<b>886.80</b>	<b>715.08</b>	<b>1359.08</b>	<b>1153.07</b>
	Less Interest Expenses	-	-	-	-	511.10	479.97
3	<b>Profit Before Tax</b>	-	-	-	-	<b>847.98</b>	<b>673.40</b>
	Current Tax	-	-	-	-	168.83	132.87
	Less mat tax credit					(168.83)	(132.87)
	Deferred Tax	-	-	-	-	69.94	58.09
	other provision	-	-	-	-	(122.65)	-
	<b>Profit After Tax</b>	-	-	-	-	<b>900.69</b>	<b>615.31</b>
4	Segment Assets	NIL	NIL	NIL	NIL	NIL	NIL
	Unallocated Corporate Assets	-	-	-	-	7372.41	6410.73
	<b>Total Assets</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>7372.41</b>	<b>6410.73</b>
5	Segment Liabilities	NIL	NIL	NIL	NIL	NIL	NIL
	Unallocated Corporate Liabilities	-	-	-	-	4788.93	6123.41
	<b>Total Liabilities</b>	-	-	-	-	<b>4788.93</b>	<b>6123.41</b>
6	<b>Capital Employed</b>	-	-	-	-	<b>11582.73</b>	<b>10939.18</b>
7	Capital Expenditure-Net	-	-	-	-	7957.65	7043.33
8	Depreciation	-	-	-	-	829.30	607.58
9	Non Cash Exp Other than Depreciation	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Capital employed as also assets and liabilities of the company are not capable of being stated separately segment-wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.

**GEOGRAPHICAL SEGMENT**

(Rs in Lakhs)

Segment Revenue	Export				Domestic		Total	
	France		UAE		Indian		2017-18	2016-17
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17		
	10694.33	8062.25	7079.36	8075.90	24.33	21.85	17798.02	16160.00

**4. Related Party Disclosure as per Accounting Standard (AS-18):****Name of the related parties and description of relationships:****Subsidiaries**

- i) Sankhya SARL, France
- ii) Sankhya US Corporation
- iii) Mahasena Info Technologies (India) Pvt. Limited\*\*\*

**Key Management Personnel**

- i) Mr. N. Sridhar – Chairman & Managing Director (CMD)

**Relatives of Key Management Personnel**

- i) Mr. N. Ramakrishna Rao - Father of CMD
- ii) Mrs. N. Gayatri - Wife of CMD
- iii) Mrs. N. Indira Ramani - Wife of VC
- iv) Mrs. N. Parvata Vardhani - Mother of CMD
- v) Mr. N.Srinivas - Brother of CMD

(Rs in Lakhs)

Nature of transaction	Period	Subsidiaries			Key Management Personnel	Relatives to Key Management Personnel	Total
		Sankhya SARL	Sankhya US Corporation	Mahasena Info Technologies (India) Pvt Limited***			
Remuneration payable	<b>2017-18</b>	-	-	-	<b>36.00</b>	-	<b>36.00</b>
	2016-17	-	-	-	36.00	-	36.00
Unsecured Loans taken	<b>2017-18</b>	-	-	-	-	<b>254.78</b>	<b>254.78</b>
	2016-17	-	-	-	-	202.18	202.18
Share warrant Money Received	<b>2017-18</b>					<b>381.17</b>	<b>381.17</b>
	2016-17					-	-
Advances received back	<b>2017-18</b>	-	<b>94.30</b>	-	-	-	<b>94.30</b>
	2016-17	-	215.61	-	-	-	215.61
Unsecured Loans Repaid	<b>2017-18</b>	-	-	-	-	<b>377.74</b>	<b>377.74</b>
	2016-17	-	-	-	-	210.49	210.49
Year End Balances-Assets	<b>31.03.2018</b>	-	-	-	-	-	-
	31.03.2017	1.73	141.02	10.00	-	-	152.75
Year End Balances-Liabilities	<b>31.03.2018</b>	-	-	-	-	<b>285.12</b>	<b>285.12</b>
	31.03.2017	-	214.23	1.81	-	450.52	666.56



**5. Earnings per Share (EPS) As per Accounting Standard (AS) -20**

(Rs in Lakhs)

Particulars		For the year ended 31.03.2018	For the year ended 31.03.2017
Profit available for equity shareholders	(A)	900.69	615.31
Weighted average number of equity shares	(B)	131.45	112.45
Nominal value of equity share		10	10
<b>Earnings per share – Basic / Diluted</b>	<b>(A/B)</b>	<b>6.85</b>	<b>5.47</b>

**6. Expenditure incurred in Foreign Currency**

(Rs in Lakhs)

S. No	Nature of Expenditure	Amount
1	Employee Benefit Expenses	9702.31
2	Other Operating Expenses	1188.42
3	Administrative Expenses	3570.64
4	Other Expenses	454.88
5	Bank Charges	9.30
	<b>Total</b>	<b>14,925 .55</b>

**7. Overseas Transactions**

Overseas banking operations of the company for all the customers in France and customer contracts of UAE signed prior to 2006 are operated at BNP Paribas Toulouse and are administered by Mr. Christian Rey, and supported by Mr. Sebastian Vigreux, Administrative Accountant.

**8. Corporate Social Responsibility (CSR) as per Companies Act, 2013**

The provisions of Section 135 of the Companies Act, 2013 relating to CSR is not applicable to the company. Accordingly, there is no expenditure under CSR.

**9. Regrouping & Rounding off**

The previous year's figures have been reclassified and regrouped, wherever necessary to confirm the Current Year classification and to confirm to the relevant laws. Paisa has been rounded off to the nearest rupee.

As per our report of even date

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**

Sd/-

**N.Sridhar**

Chairman & Managing Director

DIN No. 00089548

**Jayanth. A**

Partner  
M.No. 231549

Place : Hyderabad

Date : 26.05.2018

**Partha S Pudhota**

Director  
DIN No. : 07516057

Place: Hyderabad

Date : 26.05.2018

**Aditi Jha**

Company Secretary  
M.No.43114

Place : Hyderabad

Date : 26.05.2018

**1. Financial Instrument****(i) Capital Management**

The gearing ratios at the end of reporting year are as under:

(Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Debt*	2,740.49	2,866.31	3,119.02
Cash and Bank Balances (including cash and bank balances in a disposal group held for sale)	40.40	70.91	19.94
<b>Net Debt</b>	<b>2,780.89</b>	<b>2,937.22</b>	<b>3,138.96</b>
Equity	10,963.17	8,613.88	8,004.67
<b>Total Debt + Equity</b>	<b>13,744.06</b>	<b>11,551.10</b>	<b>11,143.63</b>
Net Debt to Equity Ratio	25.36%	34.09%	39.21%

\*Debt is defined as long-term and short-term borrowings.

**(ii) Categories of Financial Instruments**

(Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Financial Assets measured at Amortised Cost</b>			
a) Cash and Cash Equivalent including Bank Balances	40.40	70.91	19.94
b) Loan	17.11	119.29	303.33
c) Other Financial Assets	-	-	-
d) Trade Receivables	6,575.35	6,485.40	6,111.12
<b>Total</b>	<b>6,632.86</b>	<b>6,675.60</b>	<b>6,434.39</b>

(Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Financial Liabilities measured at Amortised Cost</b>			
a) Long Term Borrowing	135.90	453.26	437.39
b) Short Term Borrowing	2,605.59	2,413.05	2,681.63
c) Trade Payables	578.65	561.26	499.24
d) Other Financial Liability	199.61	74.97	74.97
<b>Total</b>	<b>3,519.75</b>	<b>3,502.54</b>	<b>3,693.23</b>

**(iii) Fair Value Measurement**

(Rs.in lakhs)

Particulars	Fair Value on ERR of 12% as at			Fair Value Hierarchy
	As at March 31, 2018	As at March 31, 2017	As at April 01,2016	
<b>Financial Assets</b>				
Security Deposit	-	0.59	1.12	Level 2
<b>Financial Liabilities</b>				
Borrowing	2,740.49	2,866.31	3,119.02	Level 2
Security Deposit	24.67	22.03	19.67	Level 2

**(iv) Financial Risk Management****(a) Interest Rate Risk Management**

The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest Rate Sensitivity Analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**(Rs.in lakhs)**

Particulars	Interest Impact as at		
	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>If Increase by 50 Basis Point</b>			
Impact on Profit or Loss for the year	(59.41)	(27.84)	-
Impact on Total Equity as at the end of the reporting period	520.92	476.60	452.21
<b>If Decrease by 50 Basis Point</b>			
Impact on Profit or Loss for the year	(54.66)	(25.26)	-
Impact on Total Equity as at the end of the reporting period	516.17	474.01	462.00

**(b) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Liquidity and Interest Risk Tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the company may be required to pay.

(Rs.in lakhs)

<b>Contractual Maturities of Non current financial liabilities</b>	<b>Weighted Average Effective</b>	<b>Within 1 Year</b>	<b>1-3 yrs</b>	<b>Total</b>
<b>As at March 31, 2018</b>				
Borrowings	12	123.94	0	123.94
Trade Payables	12	578.65	0	578.64
<b>Total</b>		<b>702.58</b>	<b>0</b>	<b>702.58</b>
<b>As at March 31, 2017</b>				
Borrowings	12	329.34	123.94	453.26
Trade Payables	12	561.26	0	561.26
<b>Total</b>		<b>890.60</b>	<b>123.94</b>	<b>1,014.52</b>
<b>As at April 1,2016</b>				
Borrowings	12	15.87	421.52	437.39
Trade Payables	12	499.24	0	499.24
<b>Total</b>		<b>515.11</b>	<b>421.52</b>	<b>936.63</b>

(Rs.in lakhs)

<b>Particulars</b>	<b>Carrying Value as at</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01,2016</b>
<b>i) Financial Assets - Current</b>			
Trade Receivables	6,575.35	6,485.40	6,111.12
Cash and Cash Equivalents	40.40	70.91	19.94
Loans	-	3.93	3.15
Other Financial Assets	-	0.59	0.53
<b>ii) Financial Liabilities - Current</b>			
Borrowings	2,605.59	2,413.05	2,681.63
Trade Payables	578.65	561.26	499.24
Other Financial Liabilities	210.54	74.97	74.97



<b>BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE</b>		<b>(Rs. In Lakhs)</b>
<b>I</b>	<b>Registration Details</b>	
	Registration No:	01-45306
	State Code	01
	Balance Sheet Date:	31st March 2018
<b>II</b>	<b>Capital Raised During the Year</b>	[Amount in Rs]
	Public Issue	NIL
	Preferential Issue	1900.00
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
<b>III</b>	<b>Position of Modification and deployment of Funds</b>	
	Total Assets	15752.09
	Total Liabilities	15752.09
<b>Sources of Funds</b>		
	Paid Up Capital	1314.52
	Share Application Money	NIL
	Secured Loans	2405.59
	Reserves & Surplus	9648.65
<b>Application of Funds</b>		
	Net Fixed Assets	7957.65
	Miscellaneous Expenditure	NIL
<b>IV</b>	<b>Performance of the Company Turnover</b>	18394.42
	Profit/Loss After Tax	847.98
	Earnings per share in Rs (Annualized)	6.85
	Dividend	NIL
The accompanying Notes are an integral part of the Financial Statements		

As per our report of even date

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

Place : Hyderabad  
Date : 26.05.2018

**Partha S Pudhotha**  
Director  
DIN No. : 07516057

Place: Hyderabad  
Date : 26.05.2018

**Aditi Jha**  
Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018

## INDEPENDENT AUDITOR'S REPORT

### The Members of Sankhya InfoTech Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Sankhya Infotech Limited** ("the Company"), and its subsidiaries (collectively referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2018;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matters

Note No. 10 to the financial statements which states the Company has reported Unbilled Revenue of Rs247.15 Lakhs. The Management is of the view that the Unbilled Revenue is entirely billable and management is in constant engagement with the Client to get the work certified and billed the same.

Our opinion is not qualified in respect of the above matters.



**Other Matters**

We have relied on the unaudited financial statements of below mentioned foreign subsidiaries which reflect total revenue amounting to Rs. NIL and total assets amounting to NIL as on that date. As informed, these unaudited financial statements have been approved by the respective Board of Directors of those Companies. Our Report so far as it relates to the amounts included in Consolidated Financial Statements in respect of these subsidiaries, is based solely on such approved unaudited Financials.

1	Sankhya US Corporation	USA	Wholly owned Foreign Subsidiary
2	Sankhya SARL France	France	Wholly owned Foreign Subsidiary

In respect of one subsidiary incorporated in India, which have been included in the Consolidated Financial Statements, CARO 2016 is not applicable. Hence, separate report on CARO 2016 for the Consolidated Financial Statements is not given.

**Report on Other Legal requirement**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the Information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies

incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f. With respect to the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India;

For **M/s.Ravi Rajan & Co**  
Chartered Accountants  
Firm Regn No: 009073N

**Jayanth. A**  
Membership No: 231549  
Place : Hyderabad  
Date : 26.05.2018

**Annexure A to the Auditors' Report**

**Annexure to the Auditors' Report for the year ended March 2018**

**(Referred to in Paragraph 1 of our Report of even date)**

- i. (a) According to information and explanations given to us and based on the audit procedures conducted by us, the Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us and based on the audit procedures conducted by us, the company has physically verified its fixed assets during the year. As explained to us, the management verifies the fixed assets once in three years as per the program, which, in our opinion is reasonable having regard to the size of the company and nature of its assets.

- (c) According to information and explanations given to us and based on the audit procedures conducted by us, the company does not have any immovable properties. Hence clause 'c' of the order is not applicable.
- ii. According to information and explanations given to us and based on the audit procedures conducted by us, there are no inventories in the company and hence Clause (ii) of order relating to physical verification of inventory is not applicable to the company for current year
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, Clause (a) and (b) of clause (iii) regarding regularity of receipt of the principal amount and interest and recovery of overdue amount is not applicable.
- iv. According to the information and explanations given to us and based on the audit procedures conducted by us,
- The company has not given any loans and advances to the parties covered under section 185 of the companies Act. Thus, there is no noncompliance of provisions of Section 185.
  - The company has not given any loans and guarantee or providing and security in connection with a loan, to any person or other body corporate and acquiring securities of any other body corporate against the provisions of Section 186 of Companies Act 2013.
- v. According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not accepted any deposits from public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods manufactured by the Company.
- vii. In respect of Statutory Dues

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us some undisputed amount payable in respect , Income Tax, and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they become payable.

- a) The details are as follows:

(Rs. in Crs.)

Nature of dues	Amount
TDS Payable	0.43
Income Tax	0.42

There are no dues of Income Tax / excise duty /Sales Tax which are not deposited on account of dispute.

- viii. The Company has an overdue as per the below details to the Financial Institutions/bank during the year.

Name of the Financial Institutions/Bank	Amount (Rs. in Lakhs)	Period
Interest on IDBI Bank Cash Credit	102.00	3 Months

- ix. Based on our audit procedures and as per the information and explanations given by the management, the term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on audit procedures conducted by us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not a Nidhi company, clause (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on audit procedures conducted by us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies act, 2013, wherever applicable and the details have been disclosed in the financial statements etc., as required by applicable accounting standards.
- xiv. According to the information and explanations given to us and based on audit procedures conducted by us, the company has made preferential allotment of shares during the year and the terms and conditions are not prejudicial to the interest of the Company.
- xv. According to the information and explanations given to us and based on audit procedures conducted by us, as the company has not entered into any non-cash transactions with directors or persons connected with him clause clause (xv) of the order is not applicable.
- xvi. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not required to be registered under section 45-IA of RBI Act, 1934 clause (xvi) of the order is not applicable.

For **M/s. Ravi Rajan & Co,**  
Chartered Accountants  
Firm Regn No:009073N

Place: Hyderabad

Date: 26.05.2018

**Jayanth A**

Membership No:231549





## **Annexure B to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Sankhya Infotech Limited**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sankhya Infotech Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. Ravi Rajan & Co**  
Chartered Accountants  
Firm Regn No: No: 009073N

**Jayanth. A**  
Membership No: 231549  
Place : Hyderabad  
Date : 26.05.2018

**SANKHYA INFOTECH LIMITED**  
**Consolidated IND AS Balance Sheet as at 31<sup>st</sup> March, 2018**

Particulars	Note No	As at	As at	As at
		March 31 <sup>st</sup> , 2018	March 31 <sup>st</sup> , 2017	March 31 <sup>st</sup> , 2016
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>I. Assets</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	3	80.22	197.29	10.20
(b) Capital work-in-progress	3	585.24	632.60	695.90
(c) Other Intangible assets	3	7,292.19	6,213.44	5,347.27
(d) Financial Assets				
(i) Investments	4	-	-	-
(ii) Loans and advances	5	17.11	35.10	146.56
		<b>7,974.76</b>	<b>7,078.44</b>	<b>6,199.93</b>
<b>(2) Current Assets</b>				
(a) Inventory	-	-	-	-
(b) Financial Assets				
(i) Trade receivables	6	6,575.35	6,485.40	6,111.12
(ii) Cash and cash equivalents	7	40.40	70.91	19.94
(iii) Loans	8	-	5.74	12.40
(iv) Others (to be specified)	9	-	0.59	0.53
(c) Other current assets	10	1,161.58	1,012.38	866.05
		<b>7,777.33</b>	<b>7,575.02</b>	<b>7,010.04</b>
<b>Total Assets</b>		<b>15,752.09</b>	<b>14,653.46</b>	<b>13,209.97</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Equity Share Capital	11	1,314.52	1,124.52	1,124.52
(b) Other Equity	12	9,459.77	7,300.48	6,723.39
<b>Total Equity</b>		<b>10,774.29</b>	<b>8,425.00</b>	<b>7,847.91</b>
<b>(2) LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	208.13	453.26	437.39
(b) Provisions	14	31.09	29.42	21.22
(c) Deferred tax liabilities (Net)	15	439.85	368.88	313.80
(d) Other non-current liabilities	16	24.67	1,473.73	636.48
		<b>703.74</b>	<b>2,325.30</b>	<b>1,408.89</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	2,605.59	2,413.05	2,681.63
(ii) Trade payables	18	683.35	666.32	499.61
(iii) Other financial liabilities (other than those specified in item (c))	19	210.54	74.97	74.97
(b) Provisions	20	170.22	144.09	250.99
(c) Other current liabilities	21	604.37	604.74	445.97
		<b>4,274.07</b>	<b>3,903.17</b>	<b>3,953.17</b>
<b>Total Liabilities</b>		<b>4,977.81</b>	<b>6,228.46</b>	<b>5,362.06</b>
<b>TOTAL</b>		<b>15,752.09</b>	<b>14,653.46</b>	<b>13,209.97</b>



Company Information	1	-	-	-
Summary of Significant Accounting Policies	2			
Additional Notes Forming Part of Financial Statements	28			

Notes referred to above form an Integral part of the Consolidated Balance Sheet and should be read in conjunction therewith.  
As per our report of even date

Sd/-

**N.Sridhar**

For **Sankhya Infotech Limited**

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**

Partner  
M.No. 231549

Place : Hyderabad  
Date : 26.05.2018

**Partha S Pudhotha**

Director  
DIN No. : 07516057

Place: Hyderabad  
Date : 26.05.2018

**Aditi Jha**

Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018

<b>SANKHYA INFOTECH LIMITED</b>			
<b>Consolidated IND AS Profit and Loss statement for the year ended 31<sup>st</sup> March, 2018</b>			
Particulars	Note No	For the Year End- ing 31 <sup>st</sup> March 2018	For the Year End- ing 31 <sup>st</sup> March 2017
		Rs in Lakhs	Rs in Lakhs
I. Revenue From Operations	22	17,798.01	16,160.00
II. Other Income	23	596.41	78.42
<b>III. Total Income (I +II)</b>		<b>18,394.42</b>	<b>16,238.42</b>
IV. Expenses:			
a. Employee Benefit Expenses	24	9,783.21	8,582.35
b. Operating Expenses	25	1,430.17	1,085.74
c. Finance Costs	26	511.10	512.09
d. Depreciation and Amortization Expense		829.30	607.58
e. Other Expenses	27	4,992.66	4,809.38
<b>IV. Total Expenses</b>		<b>17,546.44</b>	<b>15,597.14</b>
V. Profit Before Exceptional & Extraordinary Items & Tax (III -IV)		847.98	641.28
VI. Exceptional Items		-	-
<b>VII. Profit before tax (V-VI)</b>		<b>847.98</b>	<b>641.28</b>
VIII. Tax expense:			
(1) Minimum Alternate Tax		168.83	132.87
Less Mat Tax Credit Entitlement		(168.83)	(132.87)
(2) Deferred tax		69.94	58.09
(3) Income tax pertaining to previous years		(122.65)	-
<b>IX. Profit/(Loss) for the period (VII-VIII)</b>		<b>900.69</b>	<b>583.19</b>
X. Other Comprehensive Income			
A. (i) Items that will not be reclassified to Profit & Loss Account			
- Remeasurement of defined benefit plans		3.14	(9.12)
- Less: Tax on remeasurement of defined benefit plans		(1.04)	3.02
B. (i) Items that will be reclassified to Profit & Loss Account		-	-
Tax related to items that will be reclassified to Profit & Loss Account		-	-
<b>XI. Total Comprehensive Income for the period (IX+ X)</b>		<b>902.79</b>	<b>577.09</b>
XII. Earning per equity share:			
Basic and Diluted Earnings per Share (Rs.)		<b>6.85</b>	<b>5.19</b>

Notes referred to above form an Integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

As per our report of even date

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

**Partha S Pudhotha**  
Director  
DIN No. : 07516057

**Aditi Jha**  
Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018

Place: Hyderabad  
Date : 26.05.2018

Place : Hyderabad  
Date : 26.05.2018



**SANKHYA INFOTECH LIMITED**  
**Consolidated IND AS Cash Flow Statement as at 31<sup>st</sup> March, 2018**  
(Rs.In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax</b>	847.98	641.28
Adjustment for:		
Depreciation & Ammortization Expense	829.30	607.58
Interest Expenses	511.10	512.09
Interest Income	(13.14)	(78.42)
Employee Benefits Exp. (Acturial Gain/Loss on Gratuity)	3.14	(9.12)
<b>Change in operating assets and liabilities</b>	<b>2,178.38</b>	<b>1,673.41</b>
Adjustment for:		
Decrease/(Increase) in Trade Receivables	(89.97)	(374.30)
Decrease/(Increase) in Short Term Loans & Advances	5.74	(6.66)
Decrease/ (Increase) in Prepaid Exp	0.59	(0.06)
Increase/(Decrease) in Short term Borrowings	200.00	(222.20)
Increase/(Decrease) in Trade Payables	17.03	166.71
Increase/(Decrease) in Other Current Liabilities	18.88	(61.97)
Increase/decrease in short term provisions	(9.85)	13.32
Increase/(Decrease) in Gratuity payable	2.08	8.61
Increase/(Decrease) in Other Current Assets	19.64	(13.47)
Increase/(Decrease) in Other Current Financial Liability	135.16	(0.41)
Increase/(Decrease) in Advance From Customer	(1,451.70)	834.89
<b>Cash Generated from operations</b>	<b>1,025.98</b>	<b>2,017.87</b>
Net off of Tax	29.46	19.01
<b>Net Cash from /(Used) in Operating Activities</b>	<b>996.52</b>	<b>1,998.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,743.61)	(1,597.53)
Decrease/(Increase) in Long Term Loans & Advances	17.99	111.46
Interest Received	13.14	78.42
<b>Net Cash from/(Used) in Investing Activities</b>	<b>(1,712.48)</b>	<b>(1,407.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long term borrowings	(245.13)	15.87
Increase/(Decrease) in Other Long term Liabilities	2.64	2.36
Interest Paid	(511.10)	(512.09)
Issue of Equity Share Capital	190.00	-
Security Premium on issue of Equity share Capital	875.33	-
Share Warrant application	381.17	-
<b>Net Cash from/(Used) in Financing Activities</b>	<b>692.91</b>	<b>(493.86)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(23.05)</b>	<b>97.35</b>
<b>Opening Cash and Cash Equivalents</b>	<b>(2,342.14)</b>	<b>(2,439.49)</b>
<b>Closing Cash and Cash Equivalents</b>	<b>(2,365.19)</b>	<b>(2,342.14)</b>

Note: As per IND AS 7 - Cash flow statement, the CC limits (demand liability) is considered as essential cash management and hence the same is classified as Cash & Cash equivalents.

For and on behalf of board of directors

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm Registration No. 009073N

For **Sankhya Infotech Limited**  
**N.Sridhar**

Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**  
Partner  
M.No. 231549

**Partha Pudhota**  
Director  
DIN No. : 07516057

**Aditi Jha**  
Company Secretary  
M.No.43114

Place: Hyderabad  
Date : 26.05.2018

Place: Hyderabad  
Date : 26.05.2018

Place : Hyderabad  
Date : 26.05.2018

**Note No 1 – Company Information**

Sankhya is a leading software products and services company serving the rapidly growing niche markets of Training, Education, Modeling and Simulation. The company has developed several Software products targeted in the area of Education, Training and Learning and owns 100% of the "Intellectual Property" in them. The company's services include software services around the products, development of Simulation software for specific customer needs, courseware, besides providing consulting support to customers. The company has established operations in France and UAE. The company has diverse clients from across several continents, and is a well-established name in the field of Education, Training & Simulation.

Sankhya's vision is to ensure the success of global organizations by providing them with intelligent learning platforms and content to enable them to continuously re-skill and enhance the effectiveness of their employees, adapting to the changing world.

Our mission is to enhance the organizational effectiveness of mission critical enterprises by providing continuous experiential training and enriching the competency of people in core functions!!

**Note No. 2****Significant Accounting Policies****1. Basis of preparation of financial statements**

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standard notified under the relevant provisions of the Companies Act, 2013.

**2) Principles of Consolidated:**

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company. The subsidiary companies considered in the consolidated financial statements are:-

Sl.No.	Name of the Company	Country of Incorporation	% of holding
1	Sankhya US Corp	U.S.A	100%
2	Sankhya SARL	FRANCE	100%
3	Mahasena Info Technologies (India) Pvt Ltd**	INDIA	100%

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
  - ii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture
  - iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date, on which investment in the subsidiary is made, is recognized as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.
  - iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.
  - v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.
- 3) Investments other than in Subsidiaries and associates have been accounted as per Accounting Standard (AS)-13 on "Accounting of Investments"**

**4) Other Significant Accounting Policies**

These are set out under Significant Accounting Policies as given in the Company's standalone Financial Statements.



**NOTE NUMBER : 3**  
**FIXED ASSETS AS ON 31<sup>st</sup> March, 2018**  
**(Rs. In Lakhs)**

Sl. No.	Particulars	As on 01.04.2017	Gross Block			Depreciation / Amortization			Net Block	
			Total Additions during the year	Sale / Deletions during the year	Gross block As on 31.03.2018	Accumulated Depreciation as on 01.04.2017	Depreciation for the year 2017-18	Accumulated Depreciation as on 31.3.2018	As on 31.03.2018	As on 31.03.2017
<b>1</b>	<b>TANGIBLE FIXED ASSETS</b>									
a	Plant & Machinery	167.61	-	167.61	-	69.64	27.43	97.07	70.54	97.98
b	Air Conditioners	6.77	-	6.77	-	6.43	0.21	6.64	0.13	0.34
c	Projector	4.27	-	4.27	-	4.25	-	4.25	0.02	0.02
d	Computers	130.39	0.54	130.93	-	31.58	90.03	121.61	9.32	98.81
e	Furniture	159.96	0.13	160.09	-	159.82	0.06	159.88	0.21	0.14
	<b>Total of Tangible Assets (A)</b>	<b>469.00</b>	<b>0.67</b>	<b>469.67</b>	<b>-</b>	<b>271.72</b>	<b>117.73</b>	<b>389.45</b>	<b>80.22</b>	<b>197.29</b>
<b>2</b>	<b>INTANGIBLE FIXED ASSETS</b>									
a	Learning Management Products	2,640.41	158.61	2,799.02	-	1,281.95	141.27	1,423.22	1,375.80	1,358.46
b	Training Management Products	2,429.71	357.60	2,787.31	-	709.57	188.74	898.31	1,888.99	1,720.14
c	Advanced simulation lab	533.45	-	533.45	-	183.16	35.03	218.19	315.26	350.29
d	Simulator Products	1,085.18	563.34	1,648.52	-	438.80	95.20	534.00	1,114.52	646.38
e	Knowledge Based Content	2,575.07	672.75	3,247.82	-	1,126.28	179.54	1,305.82	1,941.99	1,448.79
f	Optimization Products	514.09	38.03	552.12	-	200.66	34.20	234.86	317.26	313.43
g	Sage CRM Server 200	4.21	-	4.21	-	3.96	0.03	3.98	0.22	0.25
h	Vstudio Team Ed(5 Users)	6.48	-	6.48	-	4.68	0.18	4.86	1.62	1.80
i	Unity liscence	0.76	-	0.76	-	0.26	0.05	0.31	0.45	0.50
j	Online Examination System	480.46	-	480.46	-	107.05	37.34	144.39	336.07	373.41
	<b>Total of Intangible Assets (B)</b>	<b>10,269.82</b>	<b>1,790.33</b>	<b>12,060.15</b>	<b>-</b>	<b>4,056.37</b>	<b>711.58</b>	<b>4,767.95</b>	<b>7,292.19</b>	<b>6,213.45</b>
	<b>CAPITAL WORK IN PROGRESS</b>									
		632.60	(47.36)	585.24	-	-	-	-	585.24	632.60
	<b>GRAND TOTAL (A+B)</b>	<b>11,371.42</b>	<b>1,743.64</b>	<b>13,115.06</b>	<b>-</b>	<b>4,328.09</b>	<b>829.30</b>	<b>5,157.39</b>	<b>7,957.65</b>	<b>7,043.33</b>

**CONSOLIDATED NOTE NUMBERS TO BALANCE SHEET****NON CURRENT ASSETS**

<b>NOTE NO. 4 : FINANCIAL ASSETS- INVESTMENTS</b>				
<b>S. No</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>Non- Current Investments</b>			
	1) Investment in Subsidiaries			
	(a) Equity Shares (Unquoted)			
	- Sankhya SARL, France and 100% of holding	-	(0.00)	(0.00)
	- Sankhya US Corporation, US and 100% of holding	-	-	-
	- Mahasena Info Technologies (India) Pvt Ltd, and 100% of holding	-	(0.00)	(0.00)
		-	<b>(0.00)</b>	<b>(0.00)</b>
	Note: Investments for the above subsidiaries are tested for Impairment at the end of each year. Accordingly Impairment loss has been booked leading to NIL value of Investments for the year ended 31.03.2018			

<b>NOTE NO. 5 : FINANCIAL ASSETS - LOANS AND ADVANCES</b>				
<b>S. No</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>Long - Term Loans and Advances</b>			
	<b>a) Security Deposit</b>			
	Unsecured & Considered good Refer Note 5(i)	17.11	35.10	35.06
	<b>b) Loans and Advances to Related Parties</b>			
	Unsecured & Considered good Refer Note 5(ii)	-	84.19	267.68
	Loans of Sankhya US Corporation Payable to Holding Company	-	(84.19)	(267.67)
	<b>c) Prepaid Exp. Related to rent deposits</b>	-	-	0.59
	<b>d) Advances given to Mr.Stuart Taylor by sankhya US Corporation</b>			110.92
	Note No.5 (a): EMD is provided for the various projects and Central Excise . As these security deposits does not carry any interest , the carrying amount is shown at fair value as per IND AS			
		<b>17.11</b>	<b>35.10</b>	<b>146.56</b>





**CURRENT ASSETS**

<b>NOTE NO. 6 : FINANCIAL ASSETS - TRADE RECEIVABLES</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>Outstanding for a Period of less than 6 months</b> Unsecured, Considered Good	6,575.35	6,480.22	6,105.94
	<b>Outstanding for a Period of more than 6 months</b> Unsecured, Considered Good	-	5.18	5.18
		<b>6,575.35</b>	<b>6,485.40</b>	<b>6,111.12</b>

<b>NOTE NO. 7 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	a) Cash and Cash Equivalents :			
	1) Balances with Banks in Current Accounts in India	2.40	25.29	6.93
	2) Balances with Banks in Current Accounts outside India	37.90	45.59	12.99
	3) Cash on Hand	0.10	0.03	0.02
		<b>40.40</b>	<b>70.91</b>	<b>19.94</b>

<b>NOTE NO. 8 : FINANCIAL ASSETS - LOANS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	Interest Accrued	-	3.93	3.15
<b>II</b>	Short Term Loans and Advances of Mahasena Info Technologies	-	1.81	9.25
		-	<b>5.74</b>	<b>12.40</b>

<b>NOTE NO. 9 : FINANCIAL ASSETS - OTHERS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	Prepaid Exp related to Security Deposit (Rent)	-	0.59	0.53
		-	<b>0.59</b>	<b>0.53</b>

**NOTE NO. 10 : OTHER CURRENT ASSETS**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> -Apr-2016
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
1	Unbilled Revenue (Refer Note below)	247.15	278.18	306.89
2	Advance for Expenditure	53.26	51.58	18.28
3	Service Tax Input	-	8.88	-
4	TDS Receivable	4.06		
5	Input Credit-GST	14.53		
6	Mat tax credit Entitlement	842.58	673.74	540.88
	Note No.19: Unbilled Revenue as at 31/03/18 is Rs.247.15 (previous Rs.278.18). As per the management Unbilled revenue is equal to "finished goods" and the amounts would be billed and accepted by the customers as there is a firm agreement supporting the same.	-	-	-
		<b>1,161.58</b>	<b>1,012.38</b>	<b>866.05</b>

**NOTE NO. 11 : SHARE CAPITAL**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> -Mar-2017	
		No. of Shares	Rs in Lakhs	No. of Shares	Rs in Lakhs
a	Share Capital (For each class of capital) Authorised 1,50,00,000 Equity Shares of Rs. 10/- each Issued, Subscribed and Paid up 1,31,452,050 Equity Shares of Rs.10/- each, fully paid The company has issued 19 Lakhs shares through preferential allotment at the face value of Rs.10/- each during the year.	150.00	1,500.00	150.00	1,500.00
		131.45	1314.52	112.45	1,124.52
	<b>Total Equity Share capital</b>		<b>1,314.52</b>		<b>1,124.52</b>
b	Reconciliation of the Number of Shares Outstanding at the Beginning and at the end of the Reporting Period: <b>Equity Shares of Rs.10 Each, Fully paid up:</b> At the Beginning Issued During the year - Cash Issue Forfeited / Bought Back During the Year At the End	<b>No. of Shares</b>		<b>No. of Shares</b>	
			131.45		112.45
			-		-
			-		-
			<b>131.45</b>		<b>112.45</b>
c	Details of Shareholder Holding more than 5% Shares of the Company: <b>Equity Shares of Rs. 10 each Held By</b>	<b>% of Share Holding</b>			
		No of Shares	Percentage	No of Shares	Percentage
	Paratha Saradhi Pudhota	19,00,000	14.45	-	-
	Parvatha Vardhani N	-	-	5,71,444	5.08%
	Gayatri N	-	-	6,26,109	5.57%



<b>NOTE NO. 12 : OTHER EQUITY</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup>-Apr-2016</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>RESERVES AND SURPLUS</b>			
	a) Capital reserve			
	As at the commencement of the year	(72.73)	(72.73)	84.03
	Less: Deletion during the year	-	-	(156.76)
		<b>(72.73)</b>	<b>(72.73)</b>	<b>(72.73)</b>
	b) Securities Premium Reserve			
	As at the commencement of the year	1,521.88	1,521.88	1,521.88
	Add: Additions during the year	<b>875.33</b>	-	-
		<b>2,397.21</b>	<b>1,521.88</b>	<b>1,521.88</b>
	c) General Reserves			
	As at the commencement of the year	37.40	37.40	37.40
		<b>37.40</b>	<b>37.40</b>	<b>37.40</b>
	d) Share warrants Money	<b>381.17</b>		
	e) Surplus			
	Opening Balance - Profit and Loss Account	5,835.03	5,251.83	5,251.83
	Add: Transfer from Profit & Loss Account	900.69	583.19	
	<b>Total</b>	<b>6,735.72</b>	<b>5,835.02</b>	<b>5,251.83</b>
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation)	(18.99)	(21.10)	(14.99)
	Closing Balance	<b>6,716.72</b>	<b>5,813.93</b>	<b>5,236.84</b>
	<b>Total Reserves and Surplus</b>	<b>9,459.77</b>	<b>7,300.48</b>	<b>6,723.39</b>

**Note 12 (b):** Preferential allotment of 19 lakhs shares has been made at a premium of Rs 46.07 per share during the year

**Note 12(d):** The Board of the company has approved the allotment of 18,51,852 shares of Rs.10 face value at a premium of Rs.39.07 per share to promoters and non promoters. upfront amount of Rs.381.17 lakhs is kept as share warrant money by the company and shall issue share warrant fully convertible into equity shares upon the receipt of the entire amount within the specified period of 18 months.

**NON- CURRENT LIABILITIES**

<b>NOTE NO.13 : FINANCIAL LIABILITY- BORROWINGS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	<b>Unsecured</b>			
	- Form Related Parties Refer Note No. 5(b)	37.57	369.01	276.90
	- From Others Refer Note No. 5(b)	86.37	84.25	160.49
	Notes:			
	<b>Note No5.(b)</b> : The unsecured loan and advances are taken from other related parties. As the loans does not carry any interest, the carrying amount is shown at fair value based on ERR .			
	<b>Total Borrowings</b>	<b>123.94</b>	<b>453.26</b>	<b>437.39</b>

<b>NOTE NO.14 : LONG TERM PROVISIONS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	Gratuity payable (Non Current Liability)	26.81	29.42	21.22
<b>(ii)</b>	Leave Encashment (Non Current Liability)	4.28	-	-
	<b>Total Long Term Provisions</b>	<b>31.09</b>	<b>29.42</b>	<b>21.22</b>

<b>NOTE NO.15 : DEFERRED TAX LIABILITY ( NET )</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	Opening Deferred Tax Liability	368.88	313.80	320.17
	Add:Deferred Tax Liability for the Year	69.94	58.09	(8.30)
	Less: Deferred Tax Assets on Expenditure disallowed u/s 40A(7) of Income Tax Act	-	-	1.93
	Less: Deferred Tax Assets on Depreciation Loss	-	-	-
	<b>Other OCI accounted for the year 2017-18</b>	<b>1.03</b>	<b>(3.02)</b>	<b>-</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>439.85</b>	<b>368.88</b>	<b>313.80</b>

<b>NOTE NO.16 : OTHER LONG TERM LIABILITIES</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	Advances from Customers (Security Deposit related)	-	1,451.70	616.81
<b>(ii)</b>	Security Deposit (RMCON Australia)	24.67	22.03	19.67
	Security Deposit has been shown at Fair value as per IND AS			
	<b>Total Other Long Term Liabilities</b>	<b>24.67</b>	<b>1,473.73</b>	<b>636.48</b>

**CURRENT LIABILITIES**

<b>NOTE NO. 17: FINANCIAL LIABILITIES - BORROWINGS</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	<b>Short Term Borrowings</b>	-		
	a) Loans Repayable on Demand:			
	From Banks	2,405.59	2,413.05	2,459.43
	Secured Refer Note No. 9			
<b>(ii)</b>	<b>Term loan payable with in 12 months</b>			
	The term loan which was taken from IDBI Bank Ltd has been repaid completely during the year		-	78.00
<b>(iii)</b>	<b>Term Loans:</b>			
	From Other Parties:			
	Unsecured - Refer Note No. 5(a)	200.00	-	135.00
	Interest accrued and due on above		-	9.20
	Note No.5(a): The Loan which was taken from Merlin Holdings Limited against pledge of share belonging to promoter Directors has been repaid completely during the year.			
	Note No.9: The Working capital loan was taken from IDBI Bank Ltd which was secured by first charge on all current assets of the Company and Second charge on all fixed Assets of the Company, Mortgage of land belongs to Mrs. N. Parvata Vardhani which is situated at Yadaram Village, Medchal and pledge of shares belonging to promoter Director in favour of IDBI Bank Ltd, Branch Hyderabad and it is further secured by personal guarantee of Promoter Director.			
	IDBI Bank has sanctioned the Cash credit limits of Rs.22.00 Crores and Working Capital Term Loan of Rs.2.47 Crores on 1.4.2017.			
	<b>Total Short Term Borrowings</b>	<b>2,605.59</b>	<b>2,413.05</b>	<b>2,681.63</b>

**Note 12(d):** The Board of the company has approved the allotment of 18,51,852 shares of Rs.10 face value at a premium of Rs.39.07 per share to promoters and non promoters. upfront amount of Rs.381.17 lakhs is kept as share warrant money by the company and shall issue share warrant fully convertible into equity shares upon the receipt of the entire amount within the specified period of 18 months.

**NOTE NO. 18 : FINANCIAL LIABILITIES - TRADE PAYABLES**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	a) Trade Payables			
	Micro, Small, Medium Enterprises	-	-	-
	Others	578.66	561.26	499.24
	Trade Payable of Mahasena Info Technology (subsidiary)		0.37	0.37
	Trade Payable of Sankhya US Corporation	188.88	104.69	-
	Note: Based on the Information available with the Company there are no suppliers who are registered as Micro, Small & Medium Enterprises under the Micro Small Medium Enterprises Development Act 2006, as at 31 <sup>st</sup> March 2018 or as at the end of previous year. Therefore the question of liability towards interest in terms of section 16 of Micro, Small & Medium Enterprise development act 2006 does not arise.			
	<b>Total Trade Payables</b>	<b>767.54</b>	<b>666.32</b>	<b>499.61</b>

**NOTE NO. 19 : FINANCIAL LIABILITIES -OTHER CURRENT**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	Gratuity payable	1.99	1.58	1.17
(ii)	Interest Payable & Interest Accrued	196.54	73.39	73.80
(iii)	Loan from Related party	10.96	-	-
(iv)	Leave Encashment payable	1.05	-	-
	<b>Total Other Current Liabilities</b>	<b>210.54</b>	<b>74.97</b>	<b>74.97</b>

**NOTE NO.20 : FINANCIAL LIABILITIES - PROVISIONS**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017	As at 1 <sup>st</sup> Apr16
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(i)	MAT Payable ( Net off TDS receivable for current year Rs.0.07 Lakhs, previous year Rs.6.38 Lakhs)	168.85	132.87	239.77
(ii)	Other Provisions	1.37	11.22	11.22
	<b>Total Short Term Provisions</b>	<b>170.22</b>	<b>144.09</b>	<b>250.99</b>



<b>NOTE NO.21: OTHER CURRENT LIABILITIES</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup>-Mar-2018</b>	<b>31<sup>st</sup>-Mar-2017</b>	<b>1<sup>st</sup> Apr16</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>(i)</b>	Provision for Income Tax	365.86	385.11	164.37
	Service Tax Payable/(Input Credit)	-	-	52.16
	TDS Payable	42.59	41.92	63.85
	Salaries Payable	149.99	137.29	129.01
	ESI Payable	5.00	5.00	5.00
	PF Payable	38.85	33.30	27.54
	PT Payable	2.01	0.05	2.03
	other payables	0.07	2.07	2.01
	<b>Total Other Current Liabilities</b>	<b>604.37</b>	<b>604.74</b>	<b>445.97</b>

<b>NOTE NO. 22 : REVENUE FROM OPERATIONS</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
		<b>31<sup>st</sup> Mar 2018</b>	<b>31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>Revenue from operations</b>		
	(a) Income from Services		
	Domestic Income	24.33	21.85
	Overseas Income	17,773.68	16,138.15
	<b>Total Revenue From Operations</b>	<b>17,798.01</b>	<b>16,160.00</b>

<b>NOTE NO. 23 : OTHER INCOME</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
		<b>31<sup>st</sup> Mar 2018</b>	<b>31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>(a) Interest Income</b>		
	Interest on financial assets not at Fair value through profit and loss -	12.41	62.49
	Deposit EMD and others		
	<b>(b) Other Interest -</b>	0.73	15.93
	<b>(c) Net Foreign Exchange Gain</b>	582.47	-
	<b>(d) Misc Income</b>	0.80	-
	<b>Total Other Income</b>	<b>596.41</b>	<b>78.42</b>

<b>NOTE NO. 24 : EMPLOYEE BENEFIT EXPENSES</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
		<b>31<sup>st</sup> Mar 2018</b>	<b>31<sup>st</sup> Mar 2017</b>
		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
<b>I</b>	<b>(a) Salaries &amp; Wages</b>	9,769.90	8,576.75
	<b>(b) Contribution to Provident &amp; Other Funds</b>	11.74	4.41
	<b>(c) Staff Welfare Expenses</b>	1.57	1.19
	<b>Total Employee Benefit Expenses</b>	<b>9,783.21</b>	<b>8,582.35</b>

**NOTE NO. 25 : OTHER OPERATING EXPENSES**

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> Mar 2018	For the Year Ended 31 <sup>st</sup> Mar 2017
		Rs in Lakhs	Rs in Lakhs
<b>(i)</b>	<b>Operating Expenses</b>		
	<b>(a)</b> Computer Hardware & Accessories	106.17	62.53
	<b>(b)</b> Technical Assistance	120.89	134.14
	<b>(c)</b> Simulation Software Services	189.82	113.97
	<b>(d)</b> Power & Fuel	27.15	29.31
	<b>(e)</b> Rent	99.71	102.85
	<b>(f)</b> Repairs & Maintenance - Computers	201.80	179.62
	<b>(g)</b> Insurance	44.42	44.57
	<b>(h)</b> Legal fee	0.75	4.20
	<b>(i)</b> Rates & Taxes	629.20	397.38
	<b>(j)</b> Miscellaneous Expenditure	10.26	17.17
	<b>Total Operating Expenses</b>	<b>1,430.17</b>	<b>1,085.74</b>

**NOTE NO. 26 : FINANCE COST**

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017
		Rs in Lakhs	Rs in Lakhs
<b>(i)</b>	<b>(a) Interest Expenses :</b>		
	- Interest on Cash Credit	410.47	382.71
	- Interest on term loan	-	5.35
	- Loan Processing Charges	11.16	-
	- Interest on Unsecured Loan	22.06	22.58
	- Bank charges	10.38	14.48
	(b) Interest on financial assets not at Fair value through profit and loss -	57.03	54.85
	c) Finance Cost Related to Sankhya US Corporation	-	32.12
	<b>Total Finance Cost</b>	<b>511.10</b>	<b>512.09</b>





## NOTE NO.27 : OTHER EXPENSES

S. No.	Particulars	As at 31 <sup>st</sup> -Mar-2018	As at 31 <sup>st</sup> -Mar-2017
		Rs in Lakhs	Rs in Lakhs
<b>(i)</b>	<b>Administrative Expenses</b>		
	(a) Telephone, Postage and Others	68.91	81.44
	(b) Business Promotion Expenses	794.00	773.88
	(c) Conveyance	365.70	326.33
	(d) Office Maintenance	57.75	48.68
	(e) Printing & Stationery Expenses	29.08	43.42
	(f) Managerial Remuneration	36.00	36.00
	(g) Professional Charges	2,275.63	1,867.22
	(h) Director Sitting Fee	0.30	0.40
	(i) Payment to Auditors:		
	(i) Audit Fee	5.00	4.00
	(ii) Tax Audit Fee	1.50	1.00
	(iii) Audit Reimbursement of Expenses	0.82	0.06
	(iv) Branch Audit Fee	7.91	5.72
<b>(ii)</b>	<b>Other Expenses</b>		
	(a) Staff Recruitment & Training Expenditure	78.02	67.90
	(b) Advertisement	3.41	3.89
	(c) Communication charges	69.68	60.70
	(d) Books & Periodicals	1.81	1.77
	(e) Membership & Subscriptions	6.90	6.43
	(f) Annual maintenance & Other expenses	3.36	1.85
	(g) Travel Expenditure	361.00	300.24
	(h) Net Foreign Exchange Loss	-	366.03
	(i) Research & Development Expenses	819.24	804.42
	(j) AGM Expenses	1.00	0.56
	(k) Bad Debts	4.20	-
	(l) Impairment of Investment	1.44	7.44
	<b>Total Other Expenses</b>	<b>4,992.66</b>	<b>4,809.38</b>

## Notes to Consolidated Financial Statement for the Year Ended March 31<sup>st</sup>, 2018

### 1. Investments

Investments in wholly owned subsidiary are at cost. No fresh Investments are made during the financial year 2017-18.

### 2. Foreign Travel

The foreign travel includes Director's travel amounting to Rs. 6.66 lakhs

### 3. Earnings per Share

Particulars	31-Mar-2018	31-Mar-2017
Net Profit for the year	900.69	583.19
Weighted average No of shares outstanding during the year	1,314.52	1124.52
Earnings per share (Rs.)	6.85	5.19
Nominal Value of the share (Rs.)	10	10

### 4. Related Party Disclosures

#### a) Related Parties

Sl.No.	Name	Relationship
1	SANKHYA SARL, France	Wholly Owned Subsidiary
2	SANKHYA US Corporation	Wholly Owned Subsidiary
3	Mahasena Info Technologies (India) Pvt Ltd**	Wholly Owned Subsidiary
4	Sri. N. Sridhar	Chairman& Managing Director

#### b) Transactions with Related Parties Subsidiary companies

Sl.No.	Name	Outstanding as on 1-Mar-2018	Outstanding as on 31 <sup>st</sup> March, 2017
1	SANKHYA SARL, France (Investment)	-	1.73
2	SANKHYA US Corporation (Investment)	-	46.72
	Advance for Expenses	-	94.30
3	Mahasena Info Technologies	-	10.00

### 5. Micro, Small and Medium Enterprise.

There are no Micro, Small and Medium Enterprise, to whom the Company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis.

### 6. Research and development

Capital Expenditure incurred on research and development is depreciated over the estimated life of related assets and the revenue expenditure is expensed as incurred.

The company has in – House Research & Development Centre involved in developmental activities for new products in the fields of Simulation and Training. Details of Capital & Revenue Expenditure incurred are as detailed below.

Sl.No.	EXPENDITURE	2017-18	2016-17
	<b>Revenue</b>		
1	Employee cost	810.64	795.98
2	Rent	5.22	5.19
3	Electricity	3.39	3.25
	<b>Total</b>	<b>819.24</b>	<b>804.42</b>



**7. Segment Reporting:**

The company's operations relate to providing Defense and Non-Defense services /products, delivered to customers globally operating in transportation segment. Income and expenses which are direct in nature in relation to segments is categorized based on items that are identifiable individually to that segment, rest are categorized in relation to the associated turnover of the segment. Expenses such as Depreciation and Interest, which form a significant component of total expenses, are not specifically allocable to specific segment as the underlying services are used interchangeably.

Sl. No.	Particulars	Defense		Non-Defense		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	<b>REVENUE</b>						
	External Turnover	6771.49	6469.34	11026.53	9690.66	17798.02	16160.00
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL REVENUE</b>	<b>6771.49</b>	<b>6469.34</b>	<b>11026.53</b>	<b>9690.66</b>	<b>17798.02</b>	<b>16160.00</b>
2	<b>RESULTS</b>						
	<b>Operating profit</b>	<b>472.28</b>	<b>438.29</b>	<b>886.80</b>	<b>715.08</b>	<b>1359.08</b>	<b>1153.37</b>
	Interest Expenses	-	-	-	-	511.10	512.09
3	<b>Profit Before Tax</b>	-	-	-	-	<b>847.98</b>	<b>641.28</b>
	Current Tax	-	-	-	-	168.83	132.87
	Less Mat Tax Credit	-	-	-	-	(168.83)	(132.87)
	Deferred Tax					69.94	58.09
	other provision	-	-	-	-	(122.65)	-
	<b>Profit After Tax</b>	-	-	-	-	<b>900.69</b>	<b>583.19</b>
4	Segment Assets	NIL	NIL	NIL	NIL	NIL	NIL
	Unallocated Corporate Assets	-	-	-	-	7372.41	6410.73
	<b>Total Assets</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>7372.41</b>	<b>6410.73</b>
5	Segment Liabilities	NIL	NIL	NIL	NIL	NIL	NIL
	Unallocated Corporate Liabilities	-	-	-	-	4788.93	6123.41
	<b>Total Liabilities</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>4788.93</b>	<b>6123.41</b>
6	<b>Capital Employed</b>	-	-	-	-	<b>11582.73</b>	<b>10056.06</b>
7	Capital Expenditure-Net	-	-	-	-	7957.65	7043.33
8	Depreciation	-	-	-	-	829.30	607.58
9	Non Cash Exp. Other than Depreciation	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**8. Additional Information of Enterprises consolidated as Subsidiary/Associates/Joint Ventures as required under Schedule III of the Companies Act 2013**

Name of the Enterprise	Net Assets i.e. Total Assets minus total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rs. In Lakh)	As % of Consolidated Profit or Loss	Amount (Rs. In Lakh)
<b>Parent</b>				
Sankhya InfoTech Ltd.	100.00	15,752.09	100%	900.69
<b>Subsidiary</b>				
Sankhya US Corp	-	-	-	-
Sankhya SARL	-	-	-	-
Mahasena Info Technologies (India) Pvt. Ltd.	0.00	0.00	0.00	0.00

**9. Regrouping & Rounding off**

The previous year's figures have been reclassified and regrouped, wherever necessary to confirm the Current Year classification and to confirm to the relevant laws. Paise has been rounded off to the nearest rupee.

**10. Annexure A****SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**

Foreign Currency in Lakhs

Name	Re- porting Cur- rency	Share Capi- tal	Re- serves & Sur- plus	Total As- sets	Total Liabili- ties	In- vest- ments	Turn- over	Profit / (Loss) before taxa- tion	Provi- sion for taxa- tion	Profit / (Loss) after Taxa- tion	Pro- posed Divi- dend	% of Share hold- ing
Sankhya US Corp.	USD	0.69	-3.48	0	2.79							
	INR	46.72	(235.60)	0	188.88	0	0	0	0	0	0	0
Sankhya SARL	EURO	0.02	-0.02	0.00	0.00							
	INR	1.73	(1.73)	0.00	0.00	0	0	(0	0	0	0	0
Mahasena Info Tech- nologies (India) Pvt. Ltd.	INR	10.00	(10.00)	0	0	0	0	0	0	0	0	0

As per our report of even date

For **Sankhya Infotech Limited**

Chartered Accountants  
Firm Registration No. 009073N

**N.Sridhar**  
Chairman & Managing Director  
DIN No. 00089548

**Jayanth. A**

Partner  
M.No. 231549

Place : Hyderabad  
Date : 26.05.2018

**Partha S Pudhotha**

Director  
DIN No. : 07516057

Place: Hyderabad  
Date : 26.05.2018

**Aditi Jha**

Company Secretary  
M.No.43114

Place : Hyderabad  
Date : 26.05.2018



21<sup>st</sup> Annual General Meeting  
**SANKHYA INFOTECH LIMITED**  
CIN: L72200TG1997PLC045396

**Reg Off:** Dwaraka Central, Plot No. 57, Survey No. 74 & 75, Jaihind Enclave, Madhapur Village,  
Hyderabad – 500081, Telangana.

**Tel:** + 91 9908124562

**Website:** www.sankhya.net

**Email Id:** info@sankhya.net

**PROXY FORM**

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

Name of the Member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of Sankhya Infotech Limited, holding \_\_\_\_\_ shares of the Company, hereby appoint

1. Name: \_\_\_\_\_  
 Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 or failing him/her: \_\_\_\_\_

2. Name: \_\_\_\_\_  
 Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 or failing him/her: \_\_\_\_\_

3. Name: \_\_\_\_\_  
 Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company at **The Plaza Hotel, Opposite Greenland’s Beside CM Camp office, Begum pet, Hyderabad – 500016**, Telangana on Wednesday, 28<sup>th</sup> November, 2018 at 12:00 Noon, and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended 31 <sup>st</sup> March, 2018 and the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Ms. N. Nalini, Director (DIN: 07244427) who retires by rotation and being eligible, offers herself for re-appointment.		

Resolution No.	Resolutions	For	Against
<b>Special Business</b>			
3.	Appointment of Mr. Bhaskar Pramanik (DIN: 00316650) as an Independent Director		
4.	Appointment of Mr. Anil Valluri (DIN: 02299684) as an Independent Director		
5.	To Increase the Authorized Capital of the Company and alteration of the Capital Clause of Memorandum of Association.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix 15 P. Revenue Stamp
------------------------------------

#### NOTES

1. Proxy need not be a member of the Company.
2. The form in order to be effective shall be duly filled in and signed by the member across the revenue stamp and reach the Company's registered office: Dwaraka Central, Plot No. 57, Survey No. 74 & 75, Jaihind Enclave, Madhapur Village, Hyderabad – 500081, Telangana at least 48 hours before the commencement of the Annual General Meeting.
3. Corporate members intended to send their authorized representative(s) to attend the meeting are requested to send a certified true copy of the Board resolution authorizing their representative(s) to attend and vote on behalf at the meeting.
4. Members who have multiple folios with different joint holders may use copies of this proxy.
5. The holder may vote either 'for' or 'against' each resolution.



**21<sup>st</sup> Annual General Meeting**  
**SANKHYA INFOTECH LIMITED**  
**CIN: L72200TG1997PLC045396**

**Reg Off:** Dwaraka Central, Plot No. 57, Survey No. 74 & 75, Jaihind Enclave, Madhapur Village, Hyderabad – 500081, Telangana.

**Tel:** + 91 9908124562

**Website:** www.sankhya.net

**Email Id:** info@sankhya.net

**ATTENDANCE SLIP**

(To be presented at the entrance)

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	

Name and address of

First/Sole Member:

I certify that I am a Member/Proxy/Authorised Representative for the member of the Company.

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company at **The Plaza Hotel, Opposite Greenland's Beside CM Camp office, Begumpet, Hyderabad – 500016**, Telangana at 12:00 Noon on Wednesday, 28<sup>th</sup> November, 2018.

\_\_\_\_\_  
Name of the Member/Proxy

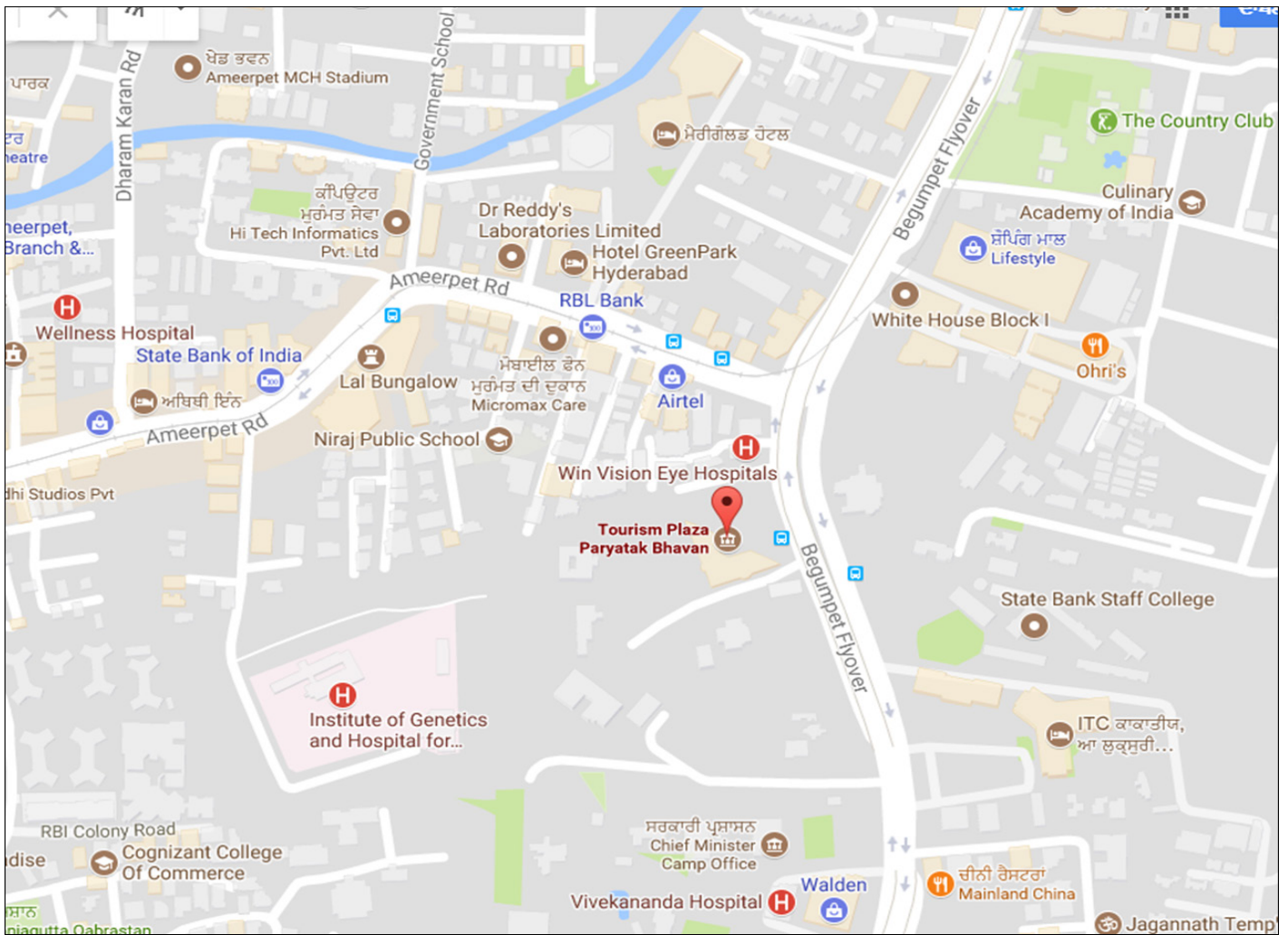
(In BLOCK Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

**Note:**

1. Only Member/proxy can attend the meeting.
2. Member/Proxy should bring his/her copy of annual report for reference at the Meeting.
3. Members who have multiple folios with different joint holders may use copies of this Attendance Slip.

## AGM VENUE ROUTE MAP



**The Plaza Hotel, Opposite Greenland's Beside CM Camp office, Begumpet,  
Hyderabad – 500016, Telangana**





**Printed Matter  
Book Post**

**If undelivered please return to:**



**Regd. Office**

**SANKHYA INFOTECH LIMITED**

Dwaraka Central, Plot No. 57,  
Survey No. 74 & 75, Jaihind Enclave, Madhapur Village,  
Hyderabad – 500081, Telangana.