

Saksoft Limited
Annual report
2015-16

THE GREAT
DIGITAL TRANSFORMATION

Opportunity

AND HOW SAKSOFT IS CAPITALIZING
ON AN INDUSTRY INFLECTION POINT



Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Saksoft Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Saksoft Limited Annual Report 2015-16.

CONTENTS

Corporate information	01
Digital Transformation at Saksoft	02
Our financial journey	12
Chairman and Managing Director's overview	14
Business model	16
6 questions	18
Board profile	20
Directors' Report	22
Report on Corporate Governance	50
Management discussion and analysis	63
Financial statements	71
Notice	129

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & Managing Director
Aditya Krishna

Independent Non Executive Directors

R. Rajagopalan
Amitava Mukherjee
Ajit Thomas
V.V.R. Babu

Non-Executive Director

Kanika Krishna

EXECUTIVE COMMITTEE

Chairman & Managing Director
Aditya Krishna

Chief Financial Officer

Niraj Kumar Ganeriwala

Senior Vice President, Human Resources

Annu Thomas

Executive Vice President & Global Delivery Head

Dhiraj Mangla

Executive VP, Sales & Marketing and CEO, Acuma Solutions

Amit Chatterjee

Vice President – APAC Sales

Bhaskar Narayanan

Senior Vice President and Business Head US

Ramanan Madhu

Director UK Consulting Services

Jonathan Eeley

COMPANY SECRETARY & COMPLIANCE OFFICER

Vivekanandan Babu

WEBSITE

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

EMAIL

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

AUDITORS

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

BANKERS

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

REGISTERED AND CORPORATE OFFICE

SP Infocity,
Block A, 2nd Floor,
#40, Dr. MGR Salai, Kandanchavadi, Perungudi,
Chennai 600 096.
Ph: 91 44 24543500 • Fax: 91 44 24543510

SUBSIDIARIES

Saksoft Inc., USA
Saksoft Pte Limited, Singapore
Saksoft Solutions Limited, UK
(Formerly Saksoft Investments Pvt Limited)
Saksoft GmbH., Germany
Saksoft FR SARL, France
Electronic Data Professionals, Inc., US
Acuma Solutions Limited, UK
Acuma Software Limited, UK
ThreeSixty Logica Testing Services Private Limited, India and,
ThreeSixty Logica Testing Services, Inc., US

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

Development Centers

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

Noida

B 35 - 36, Sector 80, Phase II,
(Near Moserbaer),
Noida - 201305.
Phone: + 91 120 4286 231-33,
Fax: + 91 120 2462 179

Manchester

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



Digital Transformation.

Two of the most exciting words in today's technology universe.

Empowered to transform the way we work, transact and live.

Saksoft has a brief and simple message for its stakeholders.

We are prepared.



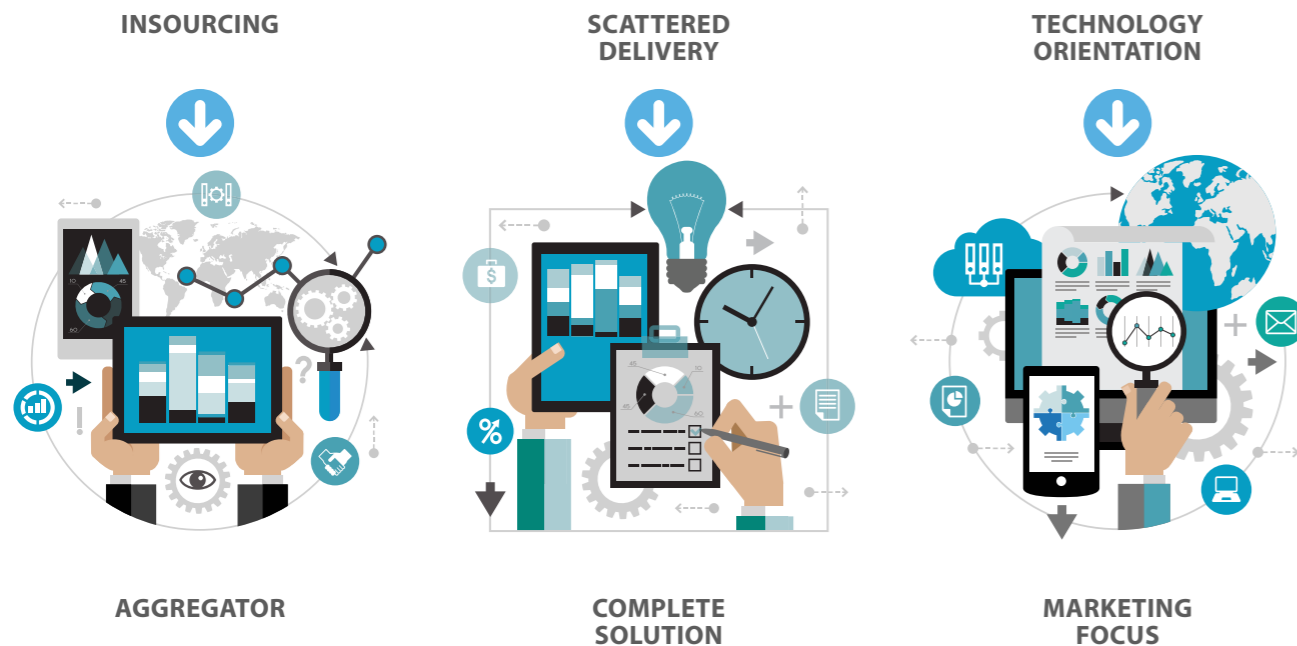
Rapidly-changing consumer demands, fast-evolving technologies and altering competitive spaces are some of the business realities of today.

To succeed in this challenging space, enterprises require something more than business strategy.

They need a Digital Transformation roadmap.

Saksoft is truly a Digital Transformation solutions provider. We possess the ability to envision market opportunities. We have realigned our go-to-market approach by graduating from a conventionally insourced business model to that of an aggregator.

Building competencies to offer comprehensive Digital Transformation solutions, taking outside-in technology and market approaches.



Digital Transformation...

...And how it is already transforming our everyday lives.

Each time you conduct an online banking transaction, create a personal profile on a website or even drive on a highway, you are contributing to the growing quantum of data that needs to be analyzed and classified by diverse businesses engaged in comprehending consumption patterns and trends.

With the ultimate objective to provide superior customer service.

Competitive and successful organizations decode this rich data to analyse customer habits, provide personalized services and enhance customer loyalty.



Why Digital Transformation is the new business imperative.

It provides personalization of content, experience, pricing, recommendations and service.

It caters to the growing need for customer engagement systems to drive consumer loyalty and advocacy.

It helps in increasing the number of applications needing real-time responsiveness, leveraging preferences, insights, contexts and locations.

It addresses a growing need for real-time data and insights - over intuition - to drive businesses.

It services a need for service providers to moderate costs through process automation.

Digital Transformation...

...and why this is an idea whose time has come



The global Digital Transformation story is a large technology wave.

Representing a convergence of four of the most powerful developments.

Social. Mobile. Analytics. Cloud.

It doesn't just touch businesses; it runs completely through them (from operating model to infrastructure).

It doesn't just improve businesses; it transforms competitiveness.

It doesn't replace what exists; it leverages IoT and connected devices to integrate seamlessly into (and upgrade) existing IT systems.

It doesn't just strengthen; it empowers by connecting people with machines (or information).

It doesn't just make customers competitive; it transforms their consumer experience.

Source: Forbes, MIT Sloan and Capgemini



1.7

The quantum of megabytes of new information that will be created every second for every human being on the planet by 2020



40,000

The number of Google searches every second



31.25

The number of million Facebook messages every minute



300

The number of hours of video uploaded to YouTube every minute



50

The number of billion smart connected devices in the world (collect, analyze and share data) in five years



33

The percent of all data likely to pass through Cloud (network of servers connected over the Internet) by 2020



15

Percentage of CEOs executing a digital strategy



90

Percentage of CEOs who agree that the digital economy will impact their industry



9

The percentage growth in revenues by early adopters of Digital Transformation



26

The percentage growth in profitability among early adopters of Digital Transformation

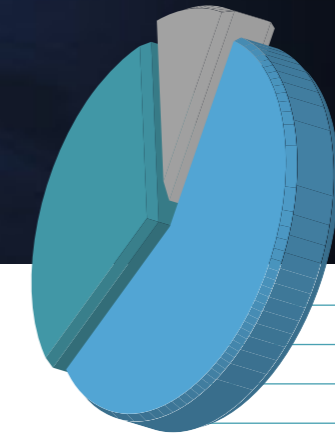


12

The percentage growth in market capitalisation among early adopters of Digital Transformation



Saksoft is India's leading stock market-listed information management (IM) and business intelligence (BI) enterprise.



Background

- Saksoft was founded and promoted by Mr. Aditya Krishna, an ex-CITI veteran with over 30 years of experience in the banking and technology vertical

Services

- The Company provides integrated solutions (following the acquisition of Acuma in 2006, EDP in 2013 and 360Logica in end of 2014) across multiple verticals, customers and geographies
- The Company provides services across verticals (banking, insurance, public sector, education, travel / tourism, retail, telecom, logistics and distribution, automotive and technology)

People and partners

- The Company's technology partners include SAP, SAS, Microsoft, Birst, Qlik, TIBCO Jaspersoft, TIBCO Spotfire, Logi Analytics and Talend
- The Company's headcount was 781 as on 31 March 2016; the ratio of men-women employees stood at 4:1 (as on 31 March 2016)

Financials

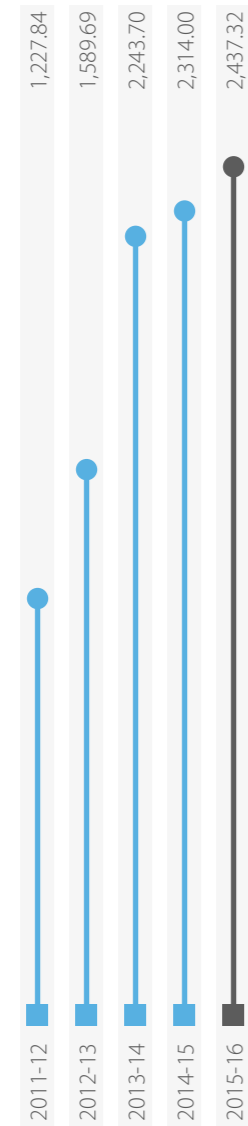
- Saksoft has remained profitable and dividend-paying since inception
- The Company's revenues and profits have grown at an 18% and 30% CAGR, respectively, in the five years ending 2015-16
- Saksoft is listed on NSE (ISIN: INE667G0101) and BSE (code: 590051) under permitted trading category; the Company's market capitalization was ₹235.76 crore (31 March 2016)

Sales footprint

Percentage of 2015-16 revenues	
USA	58
UK	32
Asia-Pacific	10

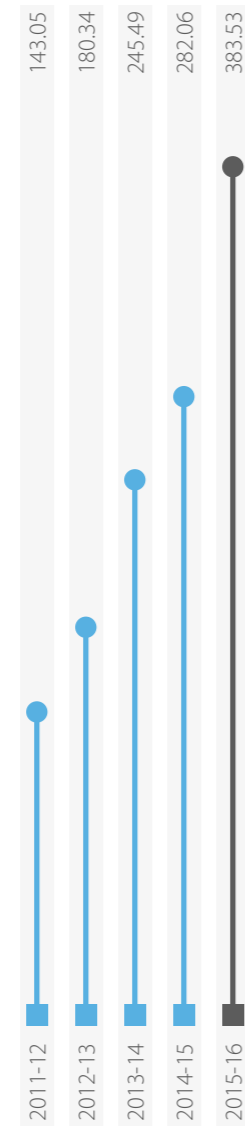
Our financial journey

Turnover
(₹mn)



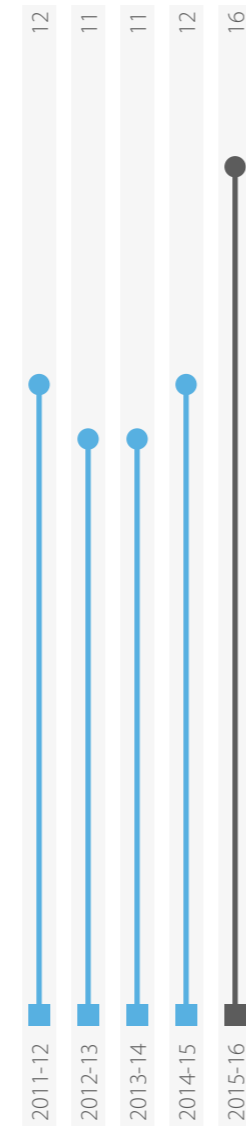
Our increasing turnover is supported by a growing customer wallet share and customer addition...

EBIDTA
(₹mn)



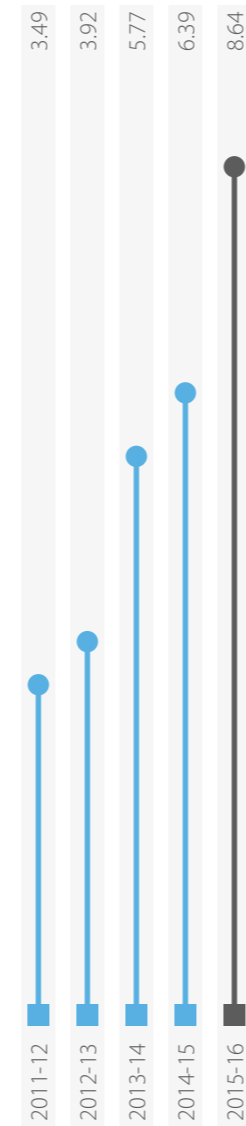
Strong efficiencies and cost management have strengthened (pre-interest and depreciation) over the years...

EBIDTA margin
(%)



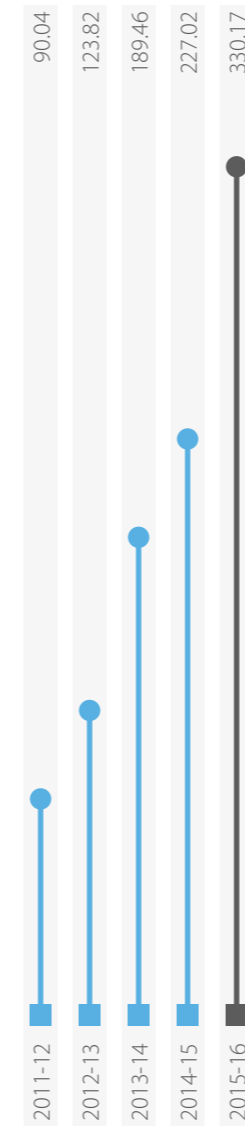
... This has resulted in industry-attractive operating margins, growing 35% in five years

Interest cover
(x)



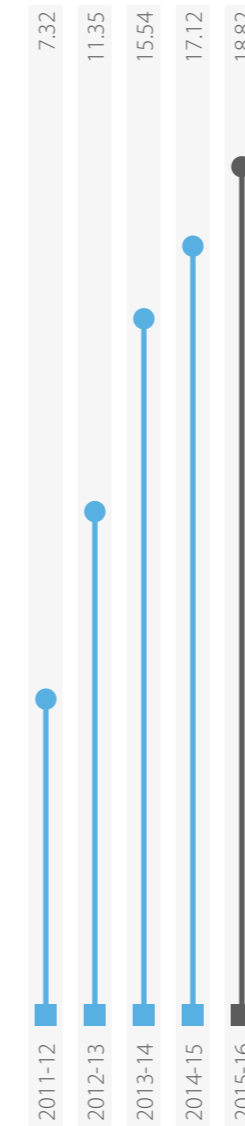
A growing EBIDTA and tightening interest outflow have enabled comfortable debt servicing, resulting in improving interest cover

Profit before tax
(₹ mn)



Our focus on growing revenues and moderating costs resulted in profitable growth; our net profit margin increased 85% in the five years leading to 2015-16

Earnings per share
(₹)



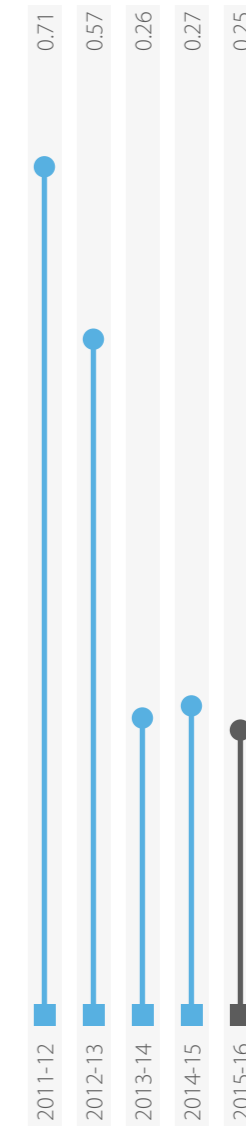
Our focus on growing shareholder value was reinforced through an undiluted equity and rising net profits

Dividend per share
(%)



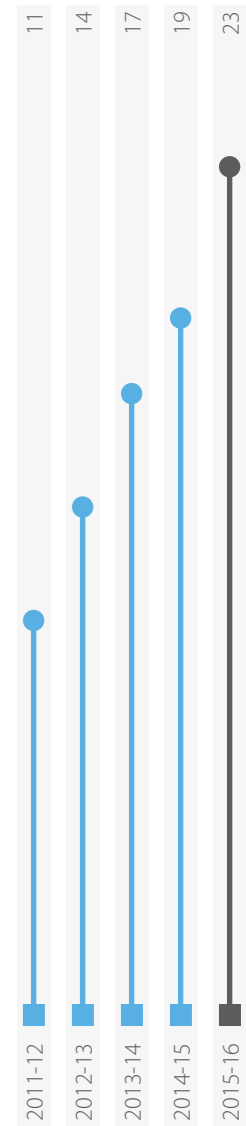
Consistent with our shareholder reward philosophy, we consistently disbursed dividends

Debt-equity
(x)

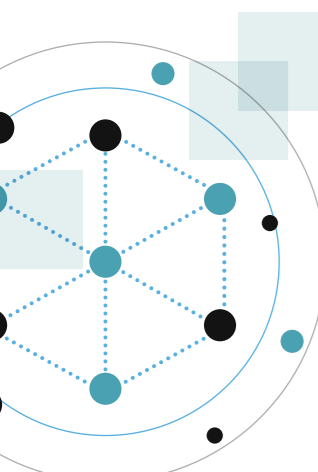


Our asset-lightness and increasing use of accruals strengthened our gearing to 0.25

RoCE
(%)



Our prudent capital allocation maximized reinvestment in high-margin services; our blended return on capital employed rose 108% in five years to 23% at the close of fiscal 2016



Chairman and Managing Director's overview



Dear fellow shareholders,

I am pleased with the performance of Saksoft in 2015-16 for a number of reasons.

Some of the pride-enhancing initiatives will only translate into visible numbers in the coming years. And yet, a considerable underlying traction made the year under review a watershed in our existence.

For the last few years, Saksoft delivered some components in the overall Digital Transformation niche, a space of growing importance. It was only during the last financial year that we were able to finally provide the complete services complement and account for a larger solution ownership for customer

benefit. During the last few years, Saksoft strengthened its solutions around the delivery of services related to analytics, digital testing and applications. By adding Cloud and Mobility services during the last financial year, Saksoft is empowered to now provide the complete Digital Transformation solution.

There were two ways in which we could have added the missing complements – one, the longer insourcing route that would have warranted prudent and timely recruitment, training and retention; two, a partnership-centric approach, whereby Saksoft would engage with external specialists and provide absolutely contemporary solutions to customers from Day One.

Given the backdrop of rapidly evolving technologies, urgency and specialisation, Saksoft selected to partner. The result is that we have engaged with some of the most competent and like-minded corporate partners, providing us with engagement flexibility and responsiveness to adapt to evolving customer needs.

What has been particularly satisfying is that this restructuring is not theory; it is already a reality. This restructuring is not something likely to only translate into future wins; it has already started generating positive traction.

Saksoft generated attractive wins in the last quarter of 2015-16 when our full-service Digital Transformation offering was

in evidence. This approach validated our positioning as a company with inch-wide but mile-deep competence, strengthening our brand and recall among prospective customers.

These are some of the realities that excite me about our prospects

- **New verticals:** The Company reported attractive wins with public sector projects in the UK in the municipality vertical. We are optimistic that after these projects have been successfully completed, the company will be able to showcase its Digital Transformation competence in this vertical and account for a larger share and higher bidding strike rate.

- **Project mapping:** The projects of around \$500,000 represent an attractive niche; too small for larger companies with similar competencies and too large for smaller companies with limited bandwidth, resulting in a sweet spot.

- **Digital Transformation partner:** Delivery of the complete Digital Transformation scope has been validated by a sharp increase in our strike rate of such projects bid for in the last quarter of 2015-16. The objective is to increase this strike rate through a larger investment in front-end marketing, widening our presence among prospective customers and strengthening our brand as a dependable Digital Transformation partner.

- **Large, untapped market:** The UK represents a large market relatively under-penetrated by Indian IT companies, an attractive opportunity. With our pre-qualification credentials falling into place through live projects with public sector organisations, we will have a successful showcase to present to peer councils.

What is heartening is that there is a greater consideration being provided for the robustness of one's global delivery model over one's cost-competitiveness, which strengthens our ability to deliver a world-class solution without compromising our margins.

Industry inflection

Today's Digital Transformation promise is built around the integration of Social, Mobile, Analytics and Cloud (SMAC) technologies. The synergic ecosystem makes it possible for businesses to enlarge operations and reach with minimal overheads, strengthening competitiveness.

This SMAC typically represents the 'fifth wave' of IT architecture and unfolding faster than anything we have seen earlier. By 2020, 100 billion computing devices are likely to be connected to the Web; companies are likely to be managing 50x the data they presently do. Accenture estimates that digital technologies in the world's top 10 economies can add a combined \$1.36 trillion to their GDP by 2020. The inference then is that SMAC will have a multiplier effect on businesses and productivity.

The result is that SMAC will not just address scale; it will replace the longstanding blueprint of value chains to create new distributed and virtualized business models, emerging as the essential building block of a new platform for digital business initiatives.

The Digital Transformation space

The principal point that one needs to make is that Digital Transformation is no longer an option; it is an imperative. A number of businesses critically need Digital Transformation for the personalization

of content, experience, pricing, recommendation and service; real-time and aware applications need to leverage preferences, insights, context and location; systems or processes need to facilitate deeper customer insights that enhance loyalty and advocacy; an omni-channel approach needs to provide customer choice and flexibility that enhance organizational responsiveness and widen offerings and business models.

There are some remarkable ways in which companies have transformed. Armour has transformed from its popular athletic brand incarnation marketing shoes and apparel; by connecting 38 million people across its digital platform, the company is poised to emerge as a major lifestyle advisor and health consultant.

The Port of Hamburg has fused facility, weather and traffic conditions with vehicle availability, shipment schedules and enhanced container handling capacity 178% - without expanding physical space at all.

Uber is transforming how urban logistics operates through the technological convergence of big data, Cloud and mobile.

Outlook

Given this landscape and our preparedness, I am pleased to state that Saksoft enjoys attractive prospects.

I am optimistic that this does not just indicate an attractive 2016-17; it indicates the start of a new journey for our company.

Aditya Krishna
Chairman & Managing Director

Creating a robust business model



The IT services business is one of the most challenging.

The sector is marked by rapidly-transforming realities on the one hand and growing need for sustained increase in stakeholder value on the other.

The number of variables are many. Customer needs. Technology realities. New inventions. Consumer preferences. Technology integration. Globally dispersed customers. Premium on partnership (over vendorship).

At Saksoft, we graduated to a business model that we believe is likely to generate multi-year growth across industry cycles.

Vision

In a sector marked by scale, the company resolved to be a contrarian: not the largest with the biggest Balance Sheet but the best with the most attractively sized Balance Sheet. This perspective influenced the company's vertical selection, technology complement and capital allocation, virtually defining the company's personality. As a result, the company is progressing towards improved margins, strengthening corporate stability.

Commitment

The promoters of the company continued to invest in broadening its technology complement within the Digital Transformation space, perhaps the most significant technology reality of the day. During the financial year under review, this complement was finally completed, strengthening the Company's consolidated offering, brand and profitability.

Brand

The Company has gradually evolved its personality from a conventional IT services company (commodity) into a Digital Transformation partner (value-added). The 'digital' highlights the space that we are in; the 'transformation' highlights our capability; the 'partner' signifies the intensity of our engagement translating into domain and customer knowledge on the one hand and solutions quality on the other.

Integrated

The Company has integrated its SMAC offerings. This has made it possible for the company to provide a consolidated value for its customer that would be larger than the standalone value of its offerings. This integration translated into a higher strike rate of wins during the last financial year, larger value per contract and the possibility of this successful delivery translating into repeated engagement with the customer or more such projects within the vertical.

Geographic coverage

The Company selected to market its services in developed countries marked by a receptivity for such projects and where Indian companies are relatively under-penetrated. Nearly 58 per cent of the company's 2015-16 revenues were derived from US; the rest was derived from UK, Europe and APAC.

Customer profile

The Company marketed its Digital Transformation services directed at urban municipal corporations marked by extensive legacy and manual systems on the one hand and a need for systemic digital transformation to service citizens better on the other. This vertical is visible, large and relatively under-penetrated. The company selected to address a niche (\$ 500,000 to \$ 5 bn in revenues) that is too small for large IT service providers and too large for small technology companies. The

company possesses just the right size to deliver responsive specialized solutions.

Aggregator model

The Company has selected to combine an insourcing cum partnership approach, compatible in addressing the wide range of technology competencies on the one hand and rapid technology evolution on the other. The company's engagement with technology partners is making it possible to access best-in-class competencies without investing directly in increasing people recruitment and training. This approach is also likely to enhance the company's responsiveness in addressing rapid marketplace changes.

Fiscal conservatism

The Company has selected to pursue an incremental model, preferring to plough accruals into building its sales teams. This approach is also likely to reduce the company's indebtedness – gearing decline from 0.20 in 2014-15 to 0.14 in 2015-16.

Sales-driven

The Company is in the process of transforming from a technology recruitment focus to a sales and marketing orientation. This is likely to strengthen the company's asset-lightness: from a position when it invested extensively in technology training with a corresponding attrition risk, the company is likely to aggregate these competencies from diverse sources and reach wider and deeper through a stronger sales thrust.

Company partnerships

Saksoft is working with industry leading service providers to add value to customers.





questions

Saksoft's management answers some questions that its shareholders are most likely to ask.



Q. What was the high point of 2015-16?

We reported our highest-ever revenues of ₹2,437.32 mn, which represented 5.33% growth over the previous fiscal year. We are now appraising opportunities to build a more focused and sustainable business platform.

Q. Can you elaborate on this?

During the year under report, we launched 'Convergence', a step forward in our digital partnership journey. Through our information management DNA, we will continue to maximize returns for our customers as they transform their businesses in line with the digital age. This will require us to synergize our resources and reposition our brand as a digital transformation partner of choice. We are confident of doing so as we integrate the various competencies resident in our Saksoft Group companies – Saksoft, Acuma, 360Logica and EDP - to radiate a singular identity.

To highlight this, we embraced a new brand identity (new logo represents a globe that positions us as a truly global company). The dark blue, orange and light blue depict water, land and sky respectively, symbolizing the globe. The two dark blue and white strips symbolize the depth of our expertise. This new logo showcases our willingness to reinvent and stay contemporary. As we converge our capabilities, we are confident of being increasingly perceived as a preferred digital transformation partner.

Q. What is the basis of Saksoft's digital transformation optimism?

Saksoft enjoys a 'fresh and relevant' identity. Our 'Your Digital Transformation Partner' tagline differentiates us; our iCORE (innovation, customer focus, openness, respect and enterprising) philosophy reflects the way we enhance customer value. We possess an in-depth customer understanding reflected in transformative success at the customer end.

Moreover, our delivery teams have built new frameworks and methodologies to adapt to customer environments. Saksoft has partnered 'SAS' to deliver value for North American customers. Our partnership in the Cloud space will enable us to architect our Cloud story. We believe that this will help our sales team up-sell and cross-sell our existing customers, enhancing revenues.

Q. What were some of the key developments of the year under report?

In FY16, as part of our go-to-market strategy, we established a new 12-member bid management team focusing on winning more accounts. We on-boarded new customers across geographies and with initiatives such as the Value Innovation Program (VIP), Centre of Excellence (CoE) approach and introducing various customer engagement models, we are confident of graduating customers into key accounts during the current financial year.

Our EBIDTA margin for the last financial year was 16%, representing a healthy 29% growth over the previous fiscal. This increase was aided by offshore business from the US geography and 360Logica. We strengthened our Balance Sheet; our debt-equity ratio declined to 0.25, our cash and liquid balance increased to ₹201.47 mn and our debtors came down to 78 days of turnover equivalent across the two years ending 2015-16.

During the year under report, we not only enhanced business value for our customers but also strengthened business processes, strengthening our leadership team and improving our efficiency.

Q. What were some HR-centric highlights?

Our human resources are our most precious asset. We adopted contemporary practices to keep our people engaged, loyal and motivated. Our HR team introduced flexi-work hours, work-from-home option, dress-code relaxation, beneficial leave policy, women's empowerment policy and other employee-friendly welfare policies. There was an increase in the number of 'Saksoft Citizen and Milestone' awardees. Besides, some inspired us with their selflessness: Mr. Ilayaraja Anthonisami, our systems administration team member, saved the life of a stranger who met with road accident.

Board of Directors



1



2



3



4



5



6



1 Mr. Aditya Krishna

Chairman & Managing Director

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

developing the in-house software to run credit card operations. Aditya founded Saksoft in 1999 and drives the business development efforts.

2 Mr. R. Rajagopalan

Independent Non-Executive Director

Mr. Rajagopalan is a fellow member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. In a career spanning over 35 years, Mr. Rajagopalan has served on the Board of several companies in sectors like Financial Services, Textiles, Engineering and Software. He has authored a book on "Directors and

Corporate Governance" in September 2003 which focused on wide range of Director's responsibilities towards Corporate Governance and functioning of Corporate Management. Mr. Rajagopalan also held prestigious positions such as the National President of the Institute of Company Secretaries of India in 1979-80, President of Employer's Federation of South India in 1992-93 besides being an active elected member of Southern Region of CII for 12 years. He is an independent Director and also the Chairman of the Audit Committee, Stakeholders' relationship committee and Nomination and remuneration committee.

3 Mr. Amitava Mukherjee

Independent Non-Executive Director

Mr. Amitava Mukherjee has over 33 years of rich and varied experience in the corporate sector. Amit spent a large part of his investment banking career at Lazards, a global Wall Street Firm, where he was a managing director and member of the executive management board. He subsequently was with Ambit Corporate Finance, as a shareholder, managing director and a board member.

During his investment banking days Amit has advised several MNCs and large Indian Houses in marquee M&A transactions, both domestic and cross border. Amit is widely travelled, both on work and leisure, and have participated in several global conferences including the World Economic Forum at Davos.

Currently he spends his time with NGOs in the social space and mentors youngsters as they chart their working life.

He is an independent Director of our company and also a member of Audit Committee, Stakeholder's relationship and Nomination & Remuneration Committee.

4 Mr. Ajit Thomas

Independent Non-Executive Director

Mr. Ajit Thomas, aged 62yrs, is the Chairman of A.V. Thomas Group of Companies, an Agri Business Enterprise founded in 1925, with interests in plantations, tea retail, spice processing, natural extracts, and leather goods. Mr. Thomas graduated with a Bachelor of Science degree, from Loyola College, Chennai. Subsequently, he joined the family business and raised the Organization from a basic plantation company to a producer of high value, high quality agri products for the world markets. Mr. Thomas has served on the Madras

Chamber of Commerce, Spice Board of India, and was the President of the United Plantations Association of South India in its Centennial year.

Mr. Thomas is an independent Director and a member of Audit, Stakeholder's relationship and Nomination & Remuneration Committee.

5 Mr. V.V.R. Babu

Independent Non-Executive Director

Mr. Babu has Master of Science (M.Sc. Tech), Applied Mathematics and Operations Research from National Institute of Technology Warangal, Master of Philosophy (M.Phil.), Computer Science from Central University of Hyderabad, Executive Development Program, Business Administration and Management from Harvard Business School. Mr. Babu has over 36 years of experience in the ITC Group. He held several strategic positions and was one of the key founder members of ITC Infotech India Limited (a 100% subsidiary of ITC Limited). In the last 15 years he held the positions of Senior Vice President and member of Management Committee of ITC Infotech and Chief Information Officer (CIO) of the ITC Group. Mr. Babu has also held several leadership positions in the IT Organization including Divisional CIO of the FMCG and Agri Based divisions respectively. Mr. Babu is an active spokesman in various industry forum championing the cause of Information Technology as a strategic tool for superior value creation, besides influencing the policy makers with thoughts, suggestions and actions that can help and further growth of IT Industry in the country. He had the privilege of being part of a select Industry team that interacted with the Government of West Bengal during the creation of the Information Technology Policy of the state in 2000 and enhanced and modified IT/ITES Policy of 2003.

Mr. Babu joined the Board of Saksoft during May 2016 as an Independent Director.

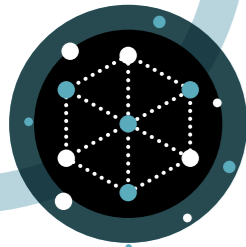
6 Ms. Kanika Krishna

Non-Executive Director

Ms. Kanika Krishna has an MBA in Financial Management from Pace University, New York, USA. Prior to this she has completed the Master's program in International Business from the Manchester Business School, UK. She is also an alumnus of Stella Maris College, Chennai where she completed her Bachelor of commerce degree.

Kanika Krishna joined Sak Abrasives Limited in 2012 and is responsible for the company's growth in new markets and new areas. In the short time that she has been with the company, Kanika has grown the export business multi fold with focus on the UK and US markets. She has appointed manufacturer representatives and distributors in these markets to sell the company's products and established a fully stocked warehouse for the company's products in New Jersey, USA. Under her initiative and guidance the company has developed and established a new range of rice-polishing wheels for the agriculture segment – a new area for the company. Kanika has revamped the sales organization by inducting lateral senior talent and investing in sales and product training for the team. She has implemented suitable reward programs and provided the necessary sales tools to the team to ensure success in growing the company's business. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.

Ms. Kanika joined the Board of Saksoft Limited during September 2014 as a Non-Executive Director.



Report of the Board of Directors

Dear Members,

Your Directors have pleasure in presenting the seventeenth Annual report together with the Audited Accounts of the Company for the financial year ended 31st March 2016.

1. Financial Summary

The Audited Standalone and Consolidated financial results summary for the financial year ended 31st March, 2016 and 31st March, 2015 are as follows:

	Standalone Results (₹ in mn)		Consolidated Results (₹ in mn)	
	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015
Export Revenue	352.59	313.10	2282.44	2100.48
Domestic Revenue	154.88	152.95	154.88	213.52
Other Income	43.64	14.27	21.65	21.22
Total Income	551.11	480.32	2458.97	2335.22
Operating expenses	363.23	351.67	2075.45	2053.16
Operating Profits	187.88	128.65	383.52	282.06
Depreciation	6.14	11.09	10.15	12.96
Interest and Finance Charges	36.39	35.00	43.20	42.08
Net Profit before Tax	145.35	82.56	330.17	227.02
Current Tax	39.00	27.00	111.57	56.04
Deferred Tax	1.61	(1.66)	0.85	(2.75)
Net Profit after Tax	104.74	57.22	184.67	167.05
Profit brought forward	333.62	313.93	805.83	676.31
Available for Appropriation	438.36	370.66	990.50	842.87
Transfer to General Reserve	-	5.72	2.49	5.72
Dividend and Dividend Tax	31.35	31.32	35.51	31.32
Balance Carried forward	407.01	333.62	952.50	805.83

2. Results of operation

Standalone Accounts

- Total income for the year 2015-16 was ₹551.11 mn as against ₹480.32 mn during the year 2014-15, registering an increase of 14.74%.
- Profit after tax was ₹104.74 mn during the year 2015-16 as compared to ₹57.22 mn during 2014-15, resulting a growth of 83.05%
- Basic earnings per share was ₹10.67 for the financial year 2015-16 as compared to earnings per share of ₹5.86 for the financial year 2014-15.
- Operating and other expenses during the year were at ₹363.23 mn as compared to ₹351.67 mn in the previous year.

Consolidated Accounts

- Consolidated total income for the year 2015-16 was ₹2458.97 mn as against ₹2335.22 mn during the year 2014-15, registering a growth of 5.30%.
- Profit after taxes was ₹184.67 mn during the year 2015-16 as compared to ₹167.05 mn during 2014-15, a growth of 10.55%.
- Basic earnings per share was ₹18.82 for the financial year 2015-16 as compared to earnings per share of ₹17.12 for the financial year 2014-15.

3. Business operations

Digital transformation refers to the changes associated with the application of digital technology in all aspects of human society. Enterprises are leveraging disruptive technologies like Cloud, Applications (web or mobile), Big Data and Analytics to understand their customers better and offer customized services for them. Successful Digital Transformation comes not from implementing new technologies but by understanding its need and use and deriving maximum value out of it.

Saksoft is empowering enterprises with the digital transformation journey. We strive to create engaging and reliable digital experiences across every touch point, providing fresh opportunities for progress. Our services encompass 4 key areas which fuel growth for organizations including Information Management Solutions, Application Services, Testing and Cloud, helps customers to digitally transform their businesses. We help enterprises with cohesive Data & processes, Analytical competence & Predictive insights, Process

digitization, Custom based Applications, Business & IT Integration, Data driven decision-making and better solution delivery.

Information Management

Saksoft offers full range of business consulting and technology services to successfully align any enterprise's Information Management objectives. We consult, design, implement, train and support on all major IM platforms such as Cognos, Datastage, Business Objects, Hyperion, Microsoft, SAS and Informatica. Saksoft with its partners will provide predictive insights for data driven decision-making.

Application Services

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

Independent testing

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

Cloud Services

Your digital transformation story is not complete without cloud. Enterprises need a robust and scalable architecture to meet their growing information storage demands. Together with our partner, we are consulting, deploying and migrating infrastructure on cloud. We provide more agile and flexible IT infrastructure ensuring that the data is always available and more secured.

During the year under review, there is no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

4. Dividend

Based on Company's performance, the Directors are pleased to recommend for approval of the members a Final dividend of ₹3.00 per share (30% on the face value of ₹10) for the financial year 2015-16. The final dividend on the equity shares, if declared as above would involve an outflow of ₹31.19 mn towards dividend and ₹0.16 mn towards dividend tax, thereby resulting in total outflow of ₹31.35 mn.



5. Share Capital

The paid up equity Capital as on March 31, 2016 was ₹103,950,000/-. During the year under review, the Board of Directors have allotted 35,000 equity shares consequent to the exercise of options by certain eligible employees under ESOP 2009 plan of the Company.

6. Transfer to Reserve

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

7. Subsidiary Companies

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

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

The Company's wholly owned subsidiary Saksoft Inc and its subsidiaries earned revenue of \$17.49 mn (equivalent to ₹1142.45 mn) during financial year 2015-16 compared to \$14.96 mn (equivalent to ₹912.91mn) during financial year 2014-15 registering a growth of 16.91% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc grew by 37.25% on consolidated basis and increased to \$0.70 mn equivalent to ₹45.72 mn) during financial year 2015-16 compared to \$0.51mn (equivalent to ₹30.91 mn) during financial year 2014-15.

The Company's wholly owned subsidiary Saksoft Pte Ltd. earned revenue of S\$ 1.71 mn (equivalent to ₹80.56 mn) during financial year 2015-16 compared to S\$1.92mn (equivalent to ₹90.99 mn) during financial year 2014-15 registering a decline of 10.94% in Sing dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd declined by 28.57% on consolidated basis and decreased to S\$0.25 mn (equivalent to ₹10.83 mn) during financial year 2015-16 compared to S\$0.35 mn (equivalent to ₹16.59 mn) during financial year 2014-15.

The Company's wholly owned subsidiary Saksoft Solutions Ltd together with its subsidiaries earned revenue of GBP 8.11 mn (equivalent to ₹798.35 mn) during financial year 2015-16 compared to GBP 11.15 mn (equivalent to ₹1097.27 mn) during financial year 2014 - 15 registering a decline of 27.27% in Pound Sterling terms over the previous financial year. The losses of Saksoft Solutions Ltd before tax and amortisations increased by 100% on

consolidated basis and decreased to GBP 0.76 mn (equivalent to ₹70.87 mn) during financial year 2015 – 16 compared to GBP 0.38 mn (equivalent to ₹56.09 mn) during financial year 2014-15.

The Company's subsidiary ThreeSixty Logica Testing Services Private Limited together with its subsidiary earned revenue of ₹296.77 mn during financial year 2015-16 compared to ₹275.58mn during financial year 2014-15 registering a growth of 7.68% in rupee terms over the previous financial year. The profits before tax of ThreeSixtyLogica Testing Services Private Limited grew by 31.19% on consolidated basis and increased to ₹99.18 mn during financial year 2015-16 compared to 75.60 mn during financial year 2014-15.

Saksoft GmbH, Germany and Saksoft FR, SARL, France wholly owned subsidiaries were not in operations during the year under review. Saksoft GmbH, Germany is under liquidation under applicable German Laws.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of the financial statement of subsidiaries is attached to the consolidated financial statements in Form AOC-1.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Subsidiaries, are available on the website of the Company. Also these documents will be available for inspection during business hours at the registered office of the Company.

8. Related Party Transactions

The transactions with related parties entered into by the Company are periodically placed before the Audit Committee for its Approval. All related party transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of the business. No transaction with the related party is material in nature in accordance with the Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, hence Form AOC-2 is not required to be annexed with this report. In accordance with Accounting Standard 18, the details of the transactions with the related parties are set out in Note No. 22.e forming part of Standalone financial statements.

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

9. Particulars of Loans, Guarantees or Investments

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

10. Public Deposits

There are no deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2015-16, the details of which are required to be furnished.

11. Material Changes after 31st March, 2016

There have been no material changes and commitments between 31st March 2016 and the date of this report having an adverse bearing on the financial position of the Company.

12. Policy on sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013

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

The following is the summary of the complaints received and disposed off during the financial year 2015-16:

- a) No. of SH Complaints received: 0
- b) No. of SH Complaints disposed off: 0

13. Corporate Social Responsibility (CSR)

During the financial year under review, consequent to the sad demise of Mr. Autar Krishna, the Board of Directors have reconstituted the CSR committee by inducting Ms. Kanika Krishna, Director in place of Mr. Autar Krishna.

The Reconstituted CSR committee is as follows:

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

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

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

CSR Committee met on February 01, 2016 and recommended to the Board of Directors to contribute not less than 2% of the average net profit of the last three financial years toward CSR fund for the financial year 2015-16 to aid NGO's undertaking projects in the field of promoting gender equality, empowering women, and providing healthcare to women and children.

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

14. Internal Control Systems and their Adequacy

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

15. Internal Auditors

M/s. RGN Price & Co., Chartered Accountants, Chennai are the Independent Internal auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

16. Board Meetings, Board of Directors & Key managerial personnel

Disclosures with respect to the Board composition, Directors and Board meetings held during the financial year are covered under the Corporate Governance report forming part of this report. As per the Provisions of the Companies Act, 2013, Ms.Kanika Krishna retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. V.V.R. Babu (DIN 07234186) has been appointed on 27th May, 2016 as an Additional Director under Independent Director Category. A notice in writing has been received from a Member signifying his intention to propose the appointment of Mr. V.V.R. Babu as a Director under Independent Director category at the ensuing Annual General meeting to hold office for 5 consecutive years with effect from 27th May, 2016 without being subject to retirement by rotation.

The brief resume and other details relating to Ms. Kanika Krishna and Mr. V.V.R. Babu, as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, are furnished in the Notice of Annual General Meeting being sent to the Members along with this Annual Report.

During the year under review, there are no changes in the Key Managerial personnel appointed under Section 203 of the Companies Act, 2013.

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

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

17. Board Committees

The Company has the following Committees of the Board:

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

The Composition of each of the above Committees 1 to 3, its respective roles and responsibilities are detailed in the Corporate Governance Report forming part of this Annual report. Composition of CSR and its role and responsibility is detailed in this report.

18. Board diversity

The Company recognizes that building a Board of diverse and inclusive culture is integral to its success. Ethnicity, age and gender diversity are areas of strategic focus to the composition of our Board. The Board considers that its diversity, including gender diversity, is a vital asset to the business. The Board has adopted the Board

Diversity policy which sets out the approach to diversity of the Board of Directors. Web link of the Board Diversity Policy is given under point 17 of the Corporate Governance report.

19. Board Evaluation

The Board on recommendation of the Nomination and Remuneration Committee has structured a framework for evaluation of the Individual Directors, Chairman, Board as a whole and its Committees. The Independent Directors at their Meeting held during February 2016 evaluated the performance of Non Executive Directors, Chairman and assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation of the Directors and the Board as a whole and its Committees were done through circulation of questionnaires, which assessed the performance on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees. The evaluation criterion was based on the participation, contribution and offering guidance to and understanding of the areas which are relevant to the Directors in their capacity as Members of the Board/Committees.

20. Nomination and Remuneration Policy

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

21. Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for the year under review;

- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

22. Vigil Mechanism/ whistle Blower Policy:

Details of the Vigil Mechanism are covered under the Corporate Governance report forming part of this Annual report.

23. Auditors

At the Annual General Meeting held on September 26, 2014, M/s. Suri & Co., Chartered Accountants, Chennai, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the Calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Suri & Co., Chartered Accountants, as statutory Auditors of the Company, is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As required under Regulation 33 of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

24. Secretarial Auditor

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

Company. The Secretarial Audit Report is annexed herewith as "Annexure- 4".

25. Auditor's Report and Secretarial Audit Report

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

26. Conservation of Energy

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

27. Technology Absorption

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

The Company's operations do not require significant import of technology.

28. Research and development (R&D)

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

29. Foreign exchange earnings and outgo

	(₹ in mn)	
Foreign exchange earnings and outgo	2015-16	2014-15
Foreign Exchange earnings	409.88	365.19
Expenditure in Foreign Currency	3.80	22.22

30. Extract of Annual Return

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

31. Risk Management

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

32. Particulars of Employees

During the financial year under review, none of the employees drew remuneration of ₹6 mn or more per annum or ₹0.5 mn or more per month, hence the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable.

33. Employees Stock Option Scheme

The Company currently administers two stock option schemes, Viz., ESOP 2006 and ESOP 2009. During the year under review, there are no changes in the above said schemes. Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 22.h forming part of stand-alone financial statements. In addition, the following details are disclosed in Annexure - 6 to this report.

- a. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI and
- b. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI.

The above information forms part of the Annual report. The weblink to access the Annual report is given under point no. 17 of the Corporate governance report.

34. Corporate Governance

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

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

35. Policy on Insider Trading

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

36. Acknowledgement

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

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

For and on behalf of the Board

Place: Chennai
Date: 27th May, 2016

Aditya Krishna
Chairman & Managing Director

ANNEXURE 01

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**
CSR policy was approved by the Board of Directors on 26th September, 2014. The policy objectives are as follows:
 - Develop meaningful and effective strategies for engaging with all stakeholders
 - Make sustainable contributions to Communities
 - Identify socio-economic opportunities to perform CSR activities
 - Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.
 - Partner with credible organizations focused on social welfare activities
 Web Link:
<http://www.saksoft.com/company/investor-relations>
2. **Composition of CSR committee**
The followings Directors are the members of CSR committee.
Mr. Aditya Krishna – Chairman & Managing Director
Mr. Amitava Mukherjee - Independent Director
Ms. Kanika Krishna*-Non-executive Director
 - Consequent to the sad demise of Mr. Autar Krishna, the Board of Directors have reconstituted the CSR committee on 30th October, 2015 by inducting Ms. Kanika Krishna, Director in place of Mr. Autar Krishna.
3. **Average net profit of the company for last three financial years:**
Average net profit: ₹66.88 mn
4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**
The company is required to spend ₹1.34mn
5. **Details of CSR spend for the financial year**
 - a) Total amount spent for the financial year: ₹1.35 mn
 - b) Amount unspent if any: Nil

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

Sr No.	Project/Activities	Sector	Locations	Amount outlay (Budget) Project or Programee wise (₹ in mn)	Amount spent on the project or programme (₹ in mn)	Cumulative Expenditure upto reporting Period (₹ in mn)	Amount Spent: Direct or through implementing Agency
1	Rehabilitation of Children and women who were victims of Human trafficking	promoting gender equality, empowering women, and providing healthcare, education and vocational training to women and children	Delhi & Haryana	Approx. ₹1.00 mn over 2 years	₹0.7 mn	₹0.7 mn	Agency*- refer Note no.1
2	Medical support provided to Children registered with Agency	healthcare, education and vocational training to women and children	Tamil Nadu	Approx. ₹0.52 mn and incidental cost thereto	₹0.65 mn	₹0.65 mn	Agency* refer note no. 2

Note No. 1: Lily Foundation Against Human Trafficking.

Note No. 2. : EKAM Foundation.

- In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report. - Not applicable.
- CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Aditya Krishna
Chairman & Managing Director

Place: Chennai
Date: 27th May, 2016

ANNEXURE 02

Particulars of Remuneration

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

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

Non- Executive Directors*	Ratio to Median Remuneration
Mr. Autar Krishna	0.23
Mr. R. Rajagopalan	0.44
Mr. Amitava Mukherjee	0.32
Mr. Ajit Thomas	0.38
Ms. Kanika Krishna	0.34

Executive Director

Mr. Aditya Krishna	5.73
--------------------	------

*Sitting fees based on the number of meetings attended by the Directors and commission paid during the financial year 2015-16 were consider to calculate ratio to median remuneration.

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

Name of Person	% Increase in Remuneration*
Mr. Autar Krishna	NIL
Mr. R. Rajagopalan	NIL
Mr. Amitava Mukherjee	NIL
Mr. Ajit Thomas	5
Ms. Kanika Krishna	200**
Mr. Aditya Krishna- Chairman & Managing Director	NIL
Mr. Nirajkumar Ganeriwala, Chief Financial Officer	9
Mr. Vivekanandan Babu, Company Secretary	165**

* Increase in remuneration of Directors is the difference between

the total sitting fee and commission received during financial year 2014-15 and 2015-16. Number of Board meetings, committee meetings and attendance of the respective Director factors in the increase in remuneration.

** Ms. Kanika Krishna was appointed with effect from 26th September, 2014 and Mr. Vivekanandan Babu was appointed with effect from 04th November, 2014. Hence the increase in percentage is not comparable between the financial year 2014-15 and 2015-16.

- The percentage increase in the median remuneration of employees in the financial year: 5.02%
- The number of permanent employees on the rolls of Company: 367
- The explanation on the relationship between average increase in remuneration and Company Performance: On an average, employees received an increase of 10.40%. The increase in remuneration is in line with the market trends and overall budgetary impact with the Company.

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

Particulars	₹ in mn
Remuneration of Key Managerial personnel (KMP) during financial year 2015-16 (aggregated)	7.84
Revenue from Operations (Consolidated)	2,437.32
Remuneration (as % of revenue)	0.32%
Profit before tax (PBT) (consolidated)	330.17
Remuneration (as % of PBT)	2.37%

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

Particulars	March 31, 2016	March 31, 2015	% Change
Market capitalization (₹ in mn)	2,357.59	1,422.95	65.68
Price earnings Ratio (based on consolidated EPS)	12.05	8.02	50.25

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

Particulars	March 31, 2016	May 09, 2005 (IPO)	% Change
Market Price (NSE) (₹)	226.80	30.00	656.00%

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

The average increase in salaries of employees other than managerial personnel in 2015-16 was 10.01%. Percentage increase in the managerial remuneration (Senior Leadership team) for the year was 12.20%

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

(₹ in mn)

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	3.00	3.82	1.02
Revenue (Consolidated)	2,437.32		
Remuneration (as % of revenue)	0.12%	0.16%	0.04%
Profits before Tax (PBT) (consolidated)	330.17		
Remuneration (as % of PBT)	0.91%	1.16%	0.31%

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

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

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 1:3

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

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

For and on behalf of the Board

Place: Chennai
Date: 27th May, 2016

Aditya Krishna
Chairman & Managing Director

ANNEXURE 03

Nomination and Remuneration Policy

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

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

Definitions:

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Saksoft Limited.

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

Applicability:

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

Part – A

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

The Committee shall:

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



Part – B

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

Appointment:

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

Term / Tenure:

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

Evaluation:

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

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

Removal:

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

For other KMP or Senior Management Personnel the removal will be

governed by Saksoft HR Policy and the subsequent approval of the Managing Director.

Retirement:

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

Part – C

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

Evaluation Process :

- The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel, the metrics shall be determined by the Managing Director.
- An holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors to arrive at the Final Rating.
- The revision in the total remuneration is directly linked to the Final Rating for all employees.
- The remuneration / compensation / commission etc to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review.
- The ESOP's to the Whole Time Director and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company and recommended to the Committee and the Board for approval in the subsequent board meeting.
- The remuneration/compensation/commission etc to the Directors shall be subject to the prior/post approval of the Shareholders of the Company and Central Government wherever required.

- The remuneration and commission to be paid to Whole Time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and the rules made thereunder.
- Increments to the existing Remuneration /compensation structure may be recommended by the Managing Director to the Committee and the Board which should be within the slabs approved by the Shareholders in the case of Whole time Director.

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

Part-D

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

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as

prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Nomination and remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

Modification

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

Secretarial Audit Report

For the Financial Year ended on 31st March, 2016

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

To,
The Members,
Saksoft Limited

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 and the Rules made 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 Overseas Direct Investments and Export of goods and services;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits), 2014; and
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (**Not applicable for the Audit Period**).
 - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (**Not applicable for the Audit Period**).
 - (h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (**Not applicable for the Audit Period**).
 - (i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- (vi) I further report that, having regard to the compliance system prevailing in the Company on examination of the relevant documents and records in pursuance thereof, on test check

basis, the company has complied with the following laws applicable specifically to the Company:

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

We have also examined compliance with:

- The Listing Agreements entered into by the Company with the Stock Exchanges during the period April 2015 till 01st December 2015.
- The Secretarial Standards notified by ICSI.

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, 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.

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

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

We further report that during the audit period:

- (a) The Company allotted 5,000 Equity shares of ₹10 each on 12th January, 2016 to eligible employee under ESOP 2009 plan of Saksoft Limited at the grant price fixed on the date of grant of options being September 26, 2014.
- (b) The Company allotted 30,000 Equity Shares of ₹10 each on 01 February 2016 to eligible employees under ESOP 2009 Plan of Saksoft Limited at the grant price fixed on the date of grant of options being December 03, 2010.

For Lakshmmi Subramanian & Associates

Sd/-

Swetha Subramanian

Place: Chennai

Date: 27th May, 2016

ACS: 33222

CP No: 12512

"ANNEXURE A"

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED
for the financial year ended 31.03.2016)

To,
The Members,
Saksoft Limited

Our Secretarial Audit Report for the financial year ended 31.3.2016 is to be read along with this Annexure A.

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance and law, rules and regulation and happening of events etc.

- The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

For Lakshmmi Subramanian & Associates

Sd/-

Swetha Subramanian

ACS: 33222

CP No: 12512

Place: Chennai

Date: 27th May, 2016

ANNEXURE 05

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2016

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

1. Registration and other details

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

II. Principal Business Activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Saksoft Inc. Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302.	Foreign Company	Subsidiary	100	2(87)
2	Nanda Infotech Services Inc. (DBA Electronic Data Professionals) 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020	Foreign Company	Subsidiary	Saksoft Inc. holds 100%	2(87)
3	Saksoft Solutions Limited Waterside Court 1 Crewe Road Manchester M23 9BE	Foreign Company	Subsidiary	100	2(87)
4	Acuma Solutions Limited Waterside Court 1 Crewe Road Manchester M23 9BE	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
5	Acuma Software Limited Waterside Court 1 Crewe Road Manchester M23 9BE	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
6	Saksoft Pte Limited 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore – 208787	Foreign Company	Subsidiary	100	2(87)
7	Saksoft FR 7, Rue Gailee 75116 PARIS	Foreign Company	Subsidiary	100	2(87)
8	ThreeSixty Logica Testing Services Private Limited H.No. 162, Bank Colony, Mandoli Near Gagan Cinema, Nandnagri, New Delhi 110093	U72900DL2009PTC195135	Subsidiary	51%	2(87)
9	ThreeSixty Logica Testing Services Inc. 640 W California Ave, Suite 210, Sunnyvale, Ca 94086	Foreign Company	Subsidiary	ThreeSixty Logica Testing Services Pvt. Ltd. holds 100%	2(87)
10	Saksoft GmbH Lyonerstr 14 60528, Frankfurt, Germany	Foreign Company	Subsidiary	100	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	3,873,190	-	3,873,190	37.39	2,523,190	-	2,523,190	24.27	13.12
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp	3,183,150	-	3,183,150	30.73	4,533,150	-	4,533,150	43.61	(12.88)
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any Other									
Employees welfare Trust	554,960	-	554,960	5.35	542,460	-	542,460	5.22	(0.13)
Sub-total(A)(1):-	7,611,300	-	7,611,300	73.47	7,598,800	-	7,598,800	73.10	(0.37)
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total (A)	7,611,300	-	7,611,300	73.47	7,598,800	-	7,598,800	73.10	(0.37)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	101,297	-	101,297	0.98	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	54000	-	54000	0.52	41000	-	41000	0.39	0.13
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	155297	-	155297	1.50	41000	-	41000	0.39	1.11

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	220138	-	220138	2.12	474847	-	474847	4.57	2.45
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	589915	3206	593121	5.73	793999	3006	797005	7.67	1.94
(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh	1620518	-	1620518	15.64	1308600	-	1308600	12.59	3.05
c) Others (Specify)									
Clearing Member	611	-	611	0.01	19182	-	19182	0.18	0.17
ESOP/ESOS/ESPS	23087	16100	39187	0.38	7115	7400	14515	0.14	0.24
Foreign Nationals	-	-	-	-	12500	-	12500	0.12	0.12
Hindu Undivided Family	67634	-	67634	0.65	66693	-	66693	0.64	0.01
Non Resident Indians	52194	-	52194	0.50	61858	-	61858	0.60	(0.10)
Sub-total (B)(2)	2574097	19306	259403	25.03	2744794	10406	2755200	26.51	(1.48)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2729394	19306	2748700	26.53	2785794	10406	2796200	26.90	(0.37)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10340694	19306	10360000	100	10384594	10406	10395000	100	

ii. Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year*
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	
1	Sonnet Trades & Investments Private Limited	183150	1.78	-	183150	1.76	-	-
2	Autar Krishna	200120	1.93	-	200120	1.92	-	-
3	Aditya Krishna	3673070	35.45	-	2323070	22.35	-	13.1
4	Saksoft Employee Welfare Trust	554960	5.35	-	542460	5.22	-	0.14
5	Sak Industries Private Limited	3000000	28.96	-	4350000	41.85	-	12.89
	Total	7611300	73.47	-	7598800	73.10	-	0.37

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

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

Sr No.	Name of the Promoters	Shareholding at the beginning of the year 01.04.2015	Date wise increase/ decrease in promoters Shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Cumulative Shareholding during the year	Shareholding at the end of the Year 31.03.2016			
1	Aditya Krishna	3673070	35.45	17.08.2015	Inter-se Promoters transfer	2323070	2323070	22.35
2	Sak Industries Private Limited	3000000	28.96	17.08.2015	Inter-se Promoters transfer	4350000	4350000	41.85
3	Saksoft Employee Welfare Trust	554960	5.35	12.02.2016	ESOP allotment	542460	542460	5.22

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

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2015		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	B. Bharathan Kanthimathinathan	89970	0.87	190030	1.83	280000	2.69
2	Umamaheswari Janarthanan	318647	3.08	(85247)	0.82	233400	2.25
3	Ajit Thomas	200000	1.93	-	-	200000	1.92
4	M Umayal	-	-	173659	1.67	173659	1.67
5	Quant Broking Pvt Ltd	-	-	159030	1.53	159030	1.53
6	K. Balasubramanian	298133	2.88	(230000)	2.21	68133	0.66
7	QCAP Securities Pvt Ltd	-	-	49503	0.48	49503	0.48
8	Nirajkumar Ganeriwal	39600	0.38	3900	0.04	43500	0.42
9	Passage to India Master Fund Limited	54000	0.52	(13000)	0.12	41000	0.39
10	S. Thillainayaki	40213	0.39	-	-	40213	0.39

v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2015		Change in the shareholding during the year (Net)		Shareholding at the end of the Year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Aditya Krishna, Chairman & Managing Director	3,673,070	35.45	(1350000)	(13)	2,323,070	22.35
2	Ajit Thomas, Director	200,000	1.93	-	-	200,000	1.92
3	Nirajkumar Ganeriwal, CFO	39,600	0.38	3900	0.04	43500	0.42

Note for point no. iv and v above: The above details are given as on 31st March, 2016. The company is listed and 99.90% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has allotted 35,000 Shares consequent to exercise of ESOP by the eligible employees which resulted in the increase in the total paid up share capital as on 31. 03.2016.

V. Indebtedness

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

(₹ in mn)

Name of the Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	122.90	185.00	-	307.90
ii) Interest due but not paid	-	-	-	-
Total (i+ii+iii)	122.90	185.00	-	307.90
Change in Indebtedness during the Financial year				
- Addition				
- Reduction	(12.22)	-	-	(12.22)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	110.68	185.00	-	295.68
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	110.68	185.00	-	295.68

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in mn)

Sr No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1	Gross salary	Mr. Aditya Krishna	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.00	3.00
	(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 - wothers, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	3.00	3.00
	Ceiling as per the Companies Act, 2013	Within the limits of Section 198 of the Companies Act, 2013	

B. Remuneration to other directors:

(₹ in mn)

Sr No.	Particulars of Remuneration	Sitting Fee paid for attending Board/ Committee Meetings	Commission paid	Others, Please specify	Total Amount
1	Independent Directors				
	Mr. R. Rajagopalan	0.13	0.10	-	0.23
	Mr. Amitava Mukherjee	0.07	0.10	-	0.17
	Mr. Ajit Thomas	0.10	0.10	-	0.20
2	Other Non-Executive Directors				
	Mr. Autar Krishna	0.02	0.10	-	0.12
	Ms. Kanika Krishna	0.08	0.10	-	0.18

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

(₹ in mn)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Nirajkumar Ganeriwal, CFO	Mr. Vivekanandan Babu Company Secretary	Total Amount
1	Gross salary	3.82	1.02	4.84
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission - as % of profit - others, specify		-	-
5.	Others, please specify		-	-
6.	Total (A)	3.82	1.02	4.84

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during year ended March 31, 2016.

For and on behalf of the Board

Place: Chennai
Date: 27th May, 2016

Aditya Krishna
Chairman & Managing Director

ANNEXURE 06

Disclosures in terms of the Guidance note on Accounting for Employee share-based payments issued by the Institute of Chartered Accountants of India is as below:

Name of the Plan	ESOP 2006	ESOP 2009
Date of Shareholders' approval	3rd February 2006	7th December 2009
Total number of options approved under the Plan	5,82,460	10,00,000 Equity Shares (Amended from 5 Lac shares to 10 Lac shares vide Resolution passed at the Annual General meeting dated 05th August, 2013)
Vesting requirements	25% of the Options granted will vest at the end of year 1, 2, 3, and 4 from the date of grant.	
Exercise Price or Price formula	The Stock options granted were priced at the Closing market price of the Company's equity shares quoted on the National Stock Exchange of India on the date prior to the date on which the Nomination and Remuneration committee decides to recommend to the grant of Options to eligible employees.	
Maximum term of Options granted	Options can be exercised within the exercise period of 5 years from the date of grant of options.	Options can be exercised within the exercise period of 10 years from the date of grant of options.
Source of Shares (Primary, secondary or combination)	Secondary, Primary	
Variation in terms of options	Vide Special Resolutions passed through postal ballot on 08th March, 2011, the exercise period of the scheme was amended from 12 months to 5 years from the date of grant of options.	1. Vide AGM resolution dated 05th August, 2013 the number of options to be granted under the scheme was increased from 5 Lac shares to 10 Lac Shares. 2. Vide AGM resolution dated 26th September 2014, exercise period of the Scheme was amended by extending the exercise period to 10 years from the date of granting of options. (Earlier it was 5 years).
Outstanding options at the beginning of the year	100,000	250,000
Options Granted during the year	NIL	3,00,000 options (options granted on 25th May, 2015 at a grant price of ₹151.70/-)
Options forfeited/lapsed during the year	(50,000)	NIL
Options Vested during the year	25,000	37,500
Options Exercised during the year	12,500	35,000
Total numbers of shares arising as a result of exercise of option	NIL	35,000

Name of the Plan	ESOP 2006	ESOP 2009
The exercise price	45.05	44.25 (for 30,000 options) and 138.70 (for 5,000 options)
Money realized by exercise of options	₹0.56 mn	₹2.02 mn
Loan repaid by the Trust during the year from Exercise price received	Not applicable	Not applicable
Options outstanding at the end of the year	37,500	5,15,000
Options exercisable at the end of the year	25,000	1,02,500
Employee wise details of Options granted to		
(1) Key & Senior Management Personnel.	NIL	Details given at the end of this table
(2) Any other employee who receives a grant in any year of option amounting to 5% or more of options granted during the year.	NIL	NIL
(3) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	NIL	NIL
Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) - 20 (Earnings per share)	Diluted Earnings per share as reported ₹9.94 (Previous year ₹5.47)	
Where the Company has calculated the employee compensation cost using intrinsic value of Stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference in Profit on EPS of the Company shall also be deducted.	The company has calculated the employee compensation cost using the intrinsic value of stock option. Had the fair value method been used, in respect to stock options granted, the employee compensation cost would have been higher by ₹0.66 mn. Profit after tax should be lower by ₹0.43 mn and the basic and diluted earnings per share would have been lower by ₹0.041 respectively.	The company has calculated the employee compensation cost using the intrinsic value of stock option. Had the fair value method been used, in respect to stock options granted, the employee compensation cost would have been higher by ₹2.44 mn. Profit after tax should be lower by ₹1.59 mn and the basic and diluted earnings per share would have been lower by ₹0.153 respectively.

Name of the Plan	ESOP 2006	ESOP 2009			
Weighted-average exercise prices and weighted average fair values of options shall have been disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the Stock.	No options granted during the year	Options grant Date: 25th May, 2015 Grant price: ₹151.70 Fair value: ₹85.34			
A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information	The Fair value of the stock options granted has been calculated using the Black-Scholes options pricing formula and the significant assumptions made in this regard are as follows:				
Grant Date:	13-06-2012 ESOP 2006	03-12-2010 ESOP 2009	08-07-2014 ESOP 2009	26-09-2014 ESOP 2009	25-05-2015 ESOP 2009
(i) risk-free interest rate	6.96%	7.20%	7.44%	7.46%	7.55%
(ii) expected life	1.25 years	4.75 years	8.25 years	8.50 years	9.83 years
(iii) expected volatility	67.73%	59.65%	62.03%	61.88%	62.10%
(iv) expected dividend	3.00%	3.00%	3.00%	3.00%	3.00%
(v) the price of the underlying share in	₹45.05/-	₹44.25/-	₹93/-	₹138.70	₹151.70

No grants made in three years prior to IPO.

Employee wise details of Senior Managerial Personnel with the options granted during the year under ESOP 2009 plan

Name of the senior Managerial Personnel	Designation	Date of grant	Number of options granted during the year	Exercise Price
Nirajkumar Ganeriwala	Chief Financial Officer	25th May, 2015	100,000	₹151.70
Annu Thomas	Global Head of HR		50,000	
Amit Chatterjee	Executive VP, Sales & Marketing and CEO-Acuma Solutions		1,00,000	
Mr. Ramanan Madhu	Senior VP and Business Head US		50,000	

For and on behalf of the Board

Place: Chennai
Date: 27th May, 2016

Aditya Krishna
Chairman & Managing Director

Report on Corporate Governance

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

1. Company's Philosophy on Corporate Governance

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

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

It has been the endeavor of the Company to be one of the best practitioners of Corporate Governance and ensure compliance with erstwhile Clause 49 of the Listing Agreement and SEBI (Listing obligations and disclosure Requirements), Regulations, 2015 (herein after referred as "LODR"). The Company fosters a culture in which high standards of ethical behaviour, individual accountability and

transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The following is a report on the status and progress on Corporate Governance and its implementation as per Section C- Corporate Governance Report of Schedule V of LODR. In Compliance with Regulation 27(2) of LODR, the Company has submitted a quarterly compliance report on Corporate Governance within 15 days from the close of each quarter.

2. Board of Directors

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

The required information as enumerated in Schedule II, Part A of LODR is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the report made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis and also steps taken to remediate instances of non-compliance, if any. The Managing Director and the Chief Financial Officer (CFO) have furnished the Compliance certificate to the Board in accordance with Schedule II- Part B of LODR for the Financial Year ended March 31, 2016. The Board of Directors review at regular interval with respect to the plans for orderly succession for appointment to the Board of Directors and Senior Management.

(a) Composition and category of Directors:

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

Note :

- Mr. Autar Krishna, Director, ceased to be a Director of the Company w.e.f. July 04, 2015 due to his demise.
- Mr. Aditya Krishna was re-appointed as the Managing Director at the Annual general Meeting held on 10th September, 2015 with effect from 01st April, 2016 as per the Special resolution passed thereon. Mr. Aditya Krishna was selected as the Chairman by the Board of Directors at their meeting held on 30th October, 2015.
- Mr. V.V.R. Babu is appointed as an Additional Director with effect from 27th May, 2016

(b) Shares held by Non-executive Directors

The Non-executive Directors of the Company except Mr. Ajit Thomas do not hold any shares of Saksoft. Mr. Ajit Thomas holds 200,000 Equity Shares in the Company.

(c) Relationships between Directors inter-se

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

(d) Board Meetings

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

The annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board meetings. The Company conducts Board meetings in compliance with the requirements of the Companies Act, 2013 and LODR. During the financial year 2015-16, the Board met 4 times on 25th May 2015, 04th August 2015, 30th October, 2015 and 01st February, 2016.

(e) The attendance of each Director at Board Meetings and last Annual General Meeting and the number of other Chairmanship/ membership of the Committees of each Director in various Companies are as under.

Name of Director	Particulars of Attendance in		Directorship in other Indian Public Companies	Position on Audit & Stakeholders' Relationship Committees in other Indian Public Companies	
	Board Meetings	Last AGM			
Autar Krishna	1/4	No	-	-	-
Aditya Krishna	4/4	Yes	-	-	-
R Rajagopalan	4/4	Yes	-	-	-
Amitava Mukherjee	2/4	Yes	1	-	1
Ajit Thomas	3/4	Yes	9	4	4
Kanika Krishna	4/4	Yes	-	-	-

(f) Independent Directors

All the Independent Directors have confirmed that they meet the 'independence' criteria as required under section 149(7) of the Companies Act, 2013. Independent Directors of the Company have met all the obligations as prescribed under Regulation 25 of LODR.

During the year under review, Separate meeting of the Independent Directors was held on February 01, 2016, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess 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.

All the Independent Directors were present at the meeting held on February 01, 2016.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company and the weblink of the same is given under point 17 of this report.

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

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

(g) Risk Management

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

(h) Vigil Mechanism/ Whistle Blower policy

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

(i) Related Party Transactions

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

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

Though the Company has received prior approval for entering into material related party transactions, during the financial year 2015-16, there were no material related party transaction entered.

(j) Corporate governance requirements with respect to Subsidiary

The Company does not have any unlisted material Subsidiary Company, incorporated in India. The Company has formulated a policy for determining material subsidiary and the web link of the same is given under point 17 of this report. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries were placed at the meeting of the Board of Directors of the Company. During the financial year 2015-16, there were no significant transactions and arrangements entered into by the unlisted subsidiaries.

3. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee cover the matters specified under Part C-Schedule II of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder.

The Audit committee of the Company consists of 3 Independent Directors. The Composition of the Committee and the qualification prescribed for the members are in compliance with the requirements of Regulation 18 of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.

During the year 2015-16, the Audit Committee met four times on 25th May 2015, 04th August 2015, 30th October 2015 and 01st February, 2016.

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

Name of the Member	Designation	No. of Meetings attended
R Rajagopalan - Independent Director	Chairman	4/4
Amitava Mukherjee - Independent Director	Member	2/4
Ajit Thomas - Independent Director	Member	3/4

Mr. Vivekanandan Babu, Company Secretary and Compliance Officer is the Secretary to the Committee. The Chairman of the Audit Committee is an Independent Director and was present at the Annual general meeting held on 10th September, 2015.

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

5. Remuneration of Directors

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

Name	Fixed Component	Performance linked incentives	Total
	Salary	Commission/Bonuses, stock options, pension	
Aditya Krishna, Chairman & Managing Director	3.00	NIL	3.00

4. Nomination and Remuneration Committee

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

During the year under review, the committee met twice on 25th May 2015 and 01st February, 2016.

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

Name of the Member	Designation	No. of Meetings attended
R Rajagopalan - Independent Director	Chairman	2/2
Amitava Mukherjee - Independent Director	Member	1/2
Ajit Thomas - Independent Director	Member	2/2

The Chairman of the Nomination and Remuneration Committee was present at the Annual general meeting held on 10th September, 2015.

Non-Executive Directors:

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

The summary of sitting fees and commission paid for the year ended 31st March, 2016 to the directors are as follows:

(₹ in mn)

Sr No.	Name of Director	Sitting fees (Board Meetings)	Sitting fees (Committee Meetings)	Managerial Commission Paid	Total
1	Autar Krishna	0.02	-	0.10	0.12
2	R. Rajagopalan	0.08	0.05	0.10	0.23
3	Amitava Mukherjee	0.04	0.03	0.10	0.17
4	Ajit Thomas	0.06	0.04	0.10	0.20
5	Kanika Krishna	0.08	-	0.10	0.18

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

6. Stakeholders' Relationship Committee

The Constitution of Stakeholders' relationship Committee of the Company is in accordance with Regulation 20 of LODR. The Committee consists of three non-executive Independent Directors. Mr. Vivekanandan Babu, Company Secretary and Compliance Officer of the Company is the secretary of the Committee. The role of the Committee is as specified in Part D of the Schedule II of LODR which inter-alia includes redressing Stakeholders' grievances like share transfers, non-receipt of annual report and non-receipt of dividend. During the year, the committee met 4 times on 25th May 2015, 04th August 2015, 30th October, 2015 and 01st February, 2016.

During the year there was no investor complaint received/pending for the year ended 31st March 2016.

The members of the Stakeholders relationship Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings attended
R Rajagopalan - Independent Director	Chairman	4/4
Amitava Mukherjee - Independent Director	Member	2/4
Ajit Thomas - Independent Director	Member	3/4

7. General Body Meetings

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

Year	Location	Date	Time
2012-13	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	05.08.2013	10.30 AM
2013-14	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	26.09.2014	10.30 AM
2014-15	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	10.09.2015	10.30 AM

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

Financial Year	General Meeting	No. of Special resolution	Particulars of Special Resolution passed
2012-13	14th Annual General Meeting	1	Amendment to ESOP Plan 2009 for increasing the quantum of options under the plan from 5 Lakhs to 10 Lakhs.
2013-14	15th Annual General Meeting	2	Approval for Borrowings not in excess of ₹500 Crores over and above the aggregate of the paid up share capital and free reserves under Section 180(1) (C) Amendment to the Employee Stock option plan 2009 by extending the exercise period from 5 years to 10 years from the date of granting of options.
2014-15	16th Annual General Meeting	2	Re-appointment of Mr. Aditya Krishna as Managing Director for a further period of 5 years with effect from 01st April, 2016 to 31st March, 2021. Enabling resolution to enter into Related Party Transaction with Sak Industries Private Limited to the limit of ₹1500 million, during any one financial year.

(c) Special Resolutions passed through Postal Ballot during the financial year 2015-16: NIL.

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

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

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

8. Means of Communication

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

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

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

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

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

9. General Shareholder Information:

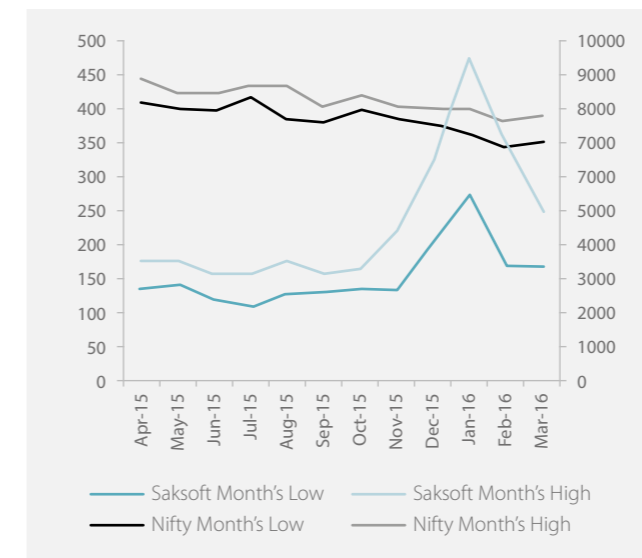
Particulars	Details
(a) Annual General Meeting	Date: 12th August, 2016 Time: 10.00 A.M Venue : P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017
(b) Financial Year Periodical results	The financial year of the Company is April-March of every year. Tentative details of the financial calendar for the year are as under Results for I Quarter ending 30th June 2016 Second week of August 2016 Results for II Quarter ending 30th September 2016 First week of October 2016 Results for III Quarter ending 31st December 2016 First week of February 2017 Results for the year ending 31st March 2017 Last week of May 2017 Book Closure Date 05th August, 2016 to 12th August, 2016 (both days inclusive)
(c) Dividend Payment Date	Between 22nd August, 2016 and 09th September, 2016
(d) Name and address of the each Stock Exchange(s) at which the listed entities securities are listed and confirmation payment of annual listing fee to each of Stock Exchange(s)	The Equity shares of the Company are listed at: National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and Shares are permitted to be traded under the permitted trading category in: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 The annual listing fee as prescribed by the National Stock Exchange has been paid to them within the prescribed time limit and as the Company is under permitted trading category in BSE Limited, listing fee is not applicable.
(e) Stock Code	NSE Stock code : SAKSOFT EQ BSE (under permitted trading category) stock code : 590051 DEMAT ISIN Number in NSDL and CDSL for Equity Shares. ISIN : INE667G01015

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

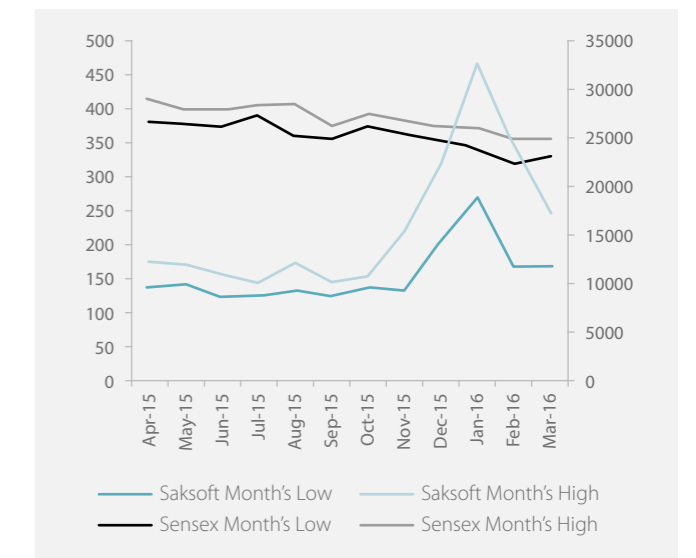
Name	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price Low	Saksoft Price High	Nifty Price Low	Nifty Price High	Saksoft Price Low	Saksoft Price High	Sensex Price Low	Sensex Price High
April 2015	132.5	177	8145	8845	137.5	175	26898	29095
May 2015	138.25	175	7997	8490	142.4	173.2	26424	28071
June 2015	117	155.95	7940	8467	128	157.6	26307	27969
July 2015	110.5	155.55	8315	8655	124.4	144	27416	28578
August 2015	127	176	7667	8622	131	175.9	25298	28418
September 2015	128.2	158.4	7540	8055	125.5	149.9	24834	26472
October 2015	132.55	166.35	7931	8336	137	156	26169	27618
November 2015	130	220	7714	8116	132.5	219	25451	26824
December 2015	201.5	320.65	7551	7979	204.3	320	24868	26256
January 2016	273.65	474.4	7242	7973	273.8	474.3	23840	26197
February 2016	169.5	348.8	6826	7600	168.6	346.7	22495	25002
March 2016	166.8	249.90	7035	7778	168	246.9	23133	25480

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

Saksoft Share Price Vs NSE Nifty movement



Saksoft Share Price Vs BSE Sensex movement



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

(i) **Registrar and Transfer Agents (RTA)**

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

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

(k) **Distribution of shareholding as on 31st March 2016:**

Shareholding (₹)	Shareholders		Share Amount	
	Number	%	₹	%
Upto 1000	2,729	66.76	1,017,960	0.98
1001-5000	937	22.92	2,338,070	2.25
5001-10000	167	4.09	1,314,980	1.27
10001- 20000	109	2.67	1,639,360	1.58
20001-30000	47	1.15	1,201,140	1.16
30001-40000	22	0.54	782,060	0.75
40001-50000	8	0.2	381,120	0.37
50001-100000	29	0.71	2,234,120	2.15
100001 and above	40	0.98	93,041,190	89.51
Total	4,088	100.00	103,950,000	100.00

(l) **Dematerialization of Shares and liquidity**

As at 31.03.2016, 99.90% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange of India Limited and BSE Limited under permitted trading category.

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

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

Eligible limit under past performance	Aggregate amount of contracts booked with all the ADs from April 2015-March 2016	Amount of contracts cancelled with all ADs from April 2015-March 2016	Amount utilized (by delivery of documents) from April 2015-March 2016	Amount of contracts o/s with all ADs as on 31st March 2016	Available limits under past performance as on 31st March 2016
Export	USD 3.00 mn GBP 0.15 mn	NIL	USD 2.30 mn GBP 0.15 mn	USD 1.80 mn	USD 2.31 mn
Import	NIL	NIL	NIL	NIL	NIL

(o) **Office Location/Delivery Centre:**

Saksoft Limited Reg off: SP Infocity, Block A, 2nd Floor, 40, MGR Salai, Perungudi, Kadanchavadi, Chennai - 600 096 Ph: 044- 2454 3500 Fax: +91-44- 2454 3510 Development Centre: B 35 - 36, Sector 80, Phase II (Near Moserbaer) Noida - 201305 Phone : + 91 120 428 6231 33	Saksoft Inc., Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302. P: +1 201 451 4609/4612 F: +1 212 504 8026 10 S Riverside Plaza Suite 1800 Chicago, IL 60606 Phone : +1 312 474-6155	Saksoft Pte Limited 10 Jalan Besar #10-12 Sim Lim Tower Singapore - 208787 P: +65 6224 2550 F: +65 6224 2783
Saksoft Solutions Limited (Previously known as Saksoft Investments Pvt Ltd) and Acuma Solutions Limited Waterside Court, #1, Crewe Road, Manchester M23 9BE, UK P:+44-8707894321 F:+44-8707894002	Saksoft GmbH Lyonerstr 14 60528, Frankfurt, Germany P:+49-69-6655 4218 F:+49-69-6688 4100	Saksoft FR SARL 7 Rue Galilee 75116 Paris
Electronic Data Professionals Inc., 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020 Phone: +1 215-639-0304 Fax: +1 866-876-9151	Threesixty Logica Testing Services Private Limited Reg.off: H.No. 162, Bank Colony, Mandoli, Nandnagri, New Delhi - 110093 Corp off: B 35 - 36 Sector 80, Phase II (Near Moserbaer) Noida, UP 201305 India Phone: +91-0120-4878300	Threesixty Logica Testing Services Inc. 640 W California Ave Suite 210 Sunnyvale CA 94086 (USA) Phone: +1 925 271-2558

(p) **Address for Correspondence:**

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

10. Other Disclosures:

- (a) **Disclosure on material significant related party transactions that may have potential conflict with the interests of listed entity at large:** There were no material significant related party transactions during the financial year 2015-16.
- (b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:** There have been no instances of non-compliances by the Company. Hence there are no penalties, strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company.
- (c) **details of establishment of vigil mechanism, whistle blower policy and affirmations that no personnel has been denied access to the Audit Committee:** The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee. Web link of the whistle blower policy is given under point 17 of this report.

- (d) **details of compliance with mandatory requirements and adoption of the non- mandatory requirements:** The Company has complied with the applicable mandatory requirements of LODR. Disclosure regarding non-mandatory requirements covered under point 12 of this report.
- (e) **web link where policy for determining material subsidiaries is disclosed:** Given under point 17 of this report.
- (f) **web link where policy on dealing with related party transactions is disclosed:** Given under point 17 of this report.
- (g) **disclosure for commodity price risks and commodity hedging activities:** Not applicable.

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

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

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

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

A. Modified opinion(s) in audit report

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

B. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee.

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

Disclosed under the relevant headings in the report.

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

In accordance with LODR, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2016.

For **Saksoft Limited**

Sd/-
Aditya Krishna
Chairman & Managing Director

Place: Chennai
Date: 27th May, 2016



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

Given as Annexure 8 of this report.

16. Disclosures with respect to demat suspense account/ unclaimed suspense account:

The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable :

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

17. Website

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

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

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

ANNEXURE 08

Auditors' Certificate on Compliance conditions of Corporate Governance Pursuant to SEBI (Listing obligations and Disclosure requirements), Regulations, 2015.

To
The Members of **Saksoft Limited**

We have examined the compliance of conditions of corporate governance by Saksoft Limited for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with stock exchange(s) for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulations 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016

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

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

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

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

S. Ganesan
Partner
M.No. 018525

Place : Chennai
Date : 27-05-2016

ANNEXURE 09

Management Discussion and Analysis

Global economic review

Global growth, currently estimated at 3.1% in 2015, is projected to reach 3.4% in 2016 and 3.6% in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook, especially in the emerging market and developing economies. In 2015, global economy activity remained subdued with growth in emerging markets and developing economies accounting for over 70%. Three key transitions continue to influence the global outlook:

- The gradual slowdown and rebalancing of economic activity in China – away from investment and manufacturing and towards consumption and services
- Freefalling crude prices
- A gradual tightening of monetary policies in the United States

On the back of the marked slowdown in the Chinese economy, which grew at its weakest pace in a quarter of a century, the International Monetary Fund in January 2016, cuts its global growth forecasts for the third time in less than a year. To back its forecasts, IMF cited a sharp deceleration in china trade and weak commodity prices that are bleeding the Brazilian and other emerging economies dry (Source: IMF).

Global IT industry outlook

The IT industry is being driven forward by big data analytics, cognitive computing, cloud computing and a growing ubiquity of Internet of Things. According to estimates, the global IT market

comprising hardware, software and telecommunications services is estimated to reach \$3.54 trillion by end-2016, up from \$3.52 trillion in 2015, registering an increase of 0.6%. While the US market accounts for approximately 28% of the total, at an estimated value of \$1 trillion, there is an increasing shift in industry allocations over the past decade toward the growing markets such as Asia, Latin America and Africa.

Presently, hardware, software and services account for approximately 59% of the global IT market, whereas telecom services account for the balance. The devices market comprising PCs, ultramobiles, mobile phones, tablets and printers is expected to decline by 1.9% in 2016. The data centre systems' market is surprisingly stable, with spending projected to reach \$75 billion, increasing by 3% over 2015. The sector has seen a demand spurt from the hyperscale sector which is expected to remain strong throughout 2016. Software spending has remained strong despite the weakening economic environment, with an estimated spending of \$326 billion, increasing by 5.3% over 2015. Spending in the IT services market is expected to grow by 3.1%, reaching \$940 billion, aided by the increasing adoption of cloud infrastructure.

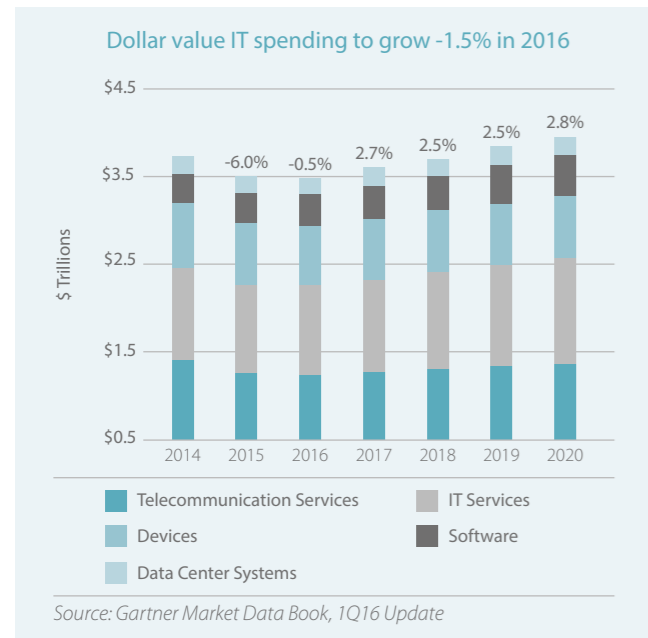
The telecom sector has been impacted by the removal of roaming charges in the European Union and some parts of North America. Despite increasing voice and data traffic, it will not be enough for countering the loss of revenues stemming from roaming charges and premiums, and the sector is expected to witness a decline in spending by 1.2% to reach \$1,454 billion in 2016.

Expenditure break-up (in USD bn):

Sectors	2015 spending	2015 growth (%)	2016 spending	2016 growth (%)
Data centre systems	170	1.8	175	3.0
Software	310	-1.4	326	5.3
Devices	653	-5.8	641	-1.9
IT services	912	-4.5	940	3.1
Communications services	1,472	-8.3	1,454	-1.2
Total	3,517	-5.8	3,536	0.6

Source: Comptia, Gartner

IT spending forecast – down the years



The Indian IT and BPM sector

The Indian IT-BPM sector has contributed over 9.3% to the country's GDP in 2015, which is the highest relative share till date. India continues to gain market share, accounting for 56% of the global IT services industry. Net revenues earned by the domestic IT-BPM sector is pegged at \$143 billion for FY16 (excluding e-commerce) as compared to \$132 billion in FY15. The e-commerce sector is expected to rake in revenues worth \$17 billion in FY16, growing at a rate of 20%. The domestic industry space is a diversified one with over 16,000 firms, 1,000+ GICs/MNCs and 4,200 tech startups. The industry employed 3.7 million people, registering a growth of 6% over FY15. IT-BPM exports crossed the USD 1,000 billion-milestone in FY16, following a y-o-y growth of 10.3%.

Export revenues have tripled since 2010 from 4% to 11-14% in FY16. The industry has received a fillip on the back of numerous M&A deals and startups mushrooming pan-India. The industry has made a name for itself on the back of a multi-faceted startup collaboration strategy, with the likes of Infosys investing \$500 million for startups, Wipro investing \$100 million, and TCS, Mindtree, HCL and others coming up with various collaboration strategies.

India – the land of opportunity

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Social, Mobility, Analytics and Cloud (SMAC) are collectively expected to offer a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30% to around US\$ 650-700 billion by 2020. The social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020. The Indian e-commerce segment is US\$ 12 billion in size and is witnessing strong growth and thereby offers another attractive avenue for IT companies to develop products and services to cater to the high growth consumer segment. Source: <http://www.ibef.org>

India, the fourth largest base for new businesses in the world and home to over 3,100 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by NASSCOM and Zinnov Management Consulting Pvt Ltd. Moreover, India's internet economy is expected to touch ₹10 trillion (US\$ 146.72 billion) by 2018, accounting for 5% of the country's GDP, according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). India's internet user base reached over 350 million by June 2015, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smartphones grew to 160 million (Source: www.ibef.org).

Public cloud services revenue in India is expected to reach US\$ 838 million in 2015, growing by 33% year-on-year (y-o-y), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India.

The outlook for FY17 seems positive as double digit growth is expected to continue at about 10%-12% for IT-BPM export revenue and 11%-13% for domestic revenue. Analysts also predict an addition of another 2 lac employees in this sector (excluding hardware and e-commerce). Looking ahead, the Indian technology services revenue is projected to reach \$350 billion by 2020, growing at a CAGR of 11%. Global enterprise tech spending will rise to \$ 4 trillion by 2025, and 80% of the incremental spending will be digital. While revenue growth cannot be taken as the only indicator of India's tech leadership, multiple indices (direct and indirect) will be needed in the future to reflect growth, diversity and impact of the Indian IT-BPM industry.

Source: NASSCOM, McKinsey

Our service offerings

Information management

Information management is becoming increasingly strategic for a number of reasons:

- The volume of information required to be analysed is increasing significantly
- Regulatory pressures are increasing, requiring more accurate, consistent, transparent and auditable reporting
- The ongoing management of key business information

Technology advances are enabling more information to be analysed faster and to be personalised to meet specific consumer needs, whenever and wherever required. An information management strategy articulates the vision, objective and approach in the context of managing the organisation's information assets to derive business value. In organizations that use an enterprise approach to information management, the IM strategy establishes and maintains a coordinated, integrated IM environment.

Saksoft's IM environment model covers all elements of the information environment within an organisation; it looks at the human and technical factors from a business and technical perspective. The model comprises 28 key areas that are subdivided across more than 125 elements to ensure a comprehensive understanding.

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

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

Governance management

Having a thorough understanding of tailored Business Intelligence solutions, Saksoft can develop, establish a roadmap and deploy a comprehensive system for an organization. The Company has been delivering such solutions and even niche toolsets for clients. Along with development, we also keep abreast of emerging BI technologies, ensuring the latest tools are available.

Information visualisation

The analysis of Big Data can be overwhelming, and to facilitate the quick understanding of information and to track patterns, organizations need visualization tools, which can build Scorecards and Dashboards via Data Mining and Analytics. With consumerism of data on the rise, users want data to be available on their phones or tablets. While all this can be called descriptive analytics, the Company also offers predictive analytics to enable forecasting and to identify risks and opportunities.

Testing services

Software testing is vital to ensure robust quality and consistent performance of IT applications. Expert testing can offer benefits for overall cost, dependability, performance, scalability and security of applications. Our 360logica division is comprised of professionals led by experienced program managers who remain in constant communication with clients and provide exact industry specific solutions. Our fully developed process guarantees international standards, on-time delivery with the minimum possible investment. Our end to end solutions include:

- Component and unit testing
- Core testing services
- Database and platform testing
- Localization testing
- Security testing
- SOA and web services testing
- System testing
- Usability and content testing



Big data and analytics – interesting facts

- More data has been created in the past two years than the entire previous history of the human race.
- Data is growing exponentially and by 2020, approximately 1.7mb of new information will be created every second for every individual.
- In August 2015, over 1 billion people used Facebook in a single day.
- Every minute, approximately 300 hours of video is being uploaded to YouTube.
- By 2020, there will be 6.1 billion smartphone users globally and 10 billion mobile devices in use, overtaking basic fixed phone subscriptions.
- At present, just about 0.5% of all data is analyzed and used. There is tremendous potential.
- Bad or poor data costs \$600 billion to US companies annually.
- It is estimated that Wal-Mart collects more than 2.5 petabytes of data every hour from its customer transactions.
- As per a survey, 37.5% of all large organizations perceive Big Data analysis as their biggest challenge.
- Every day over 294 billion emails are sent, and over 1 billion Google searches are conducted.
- Trillions of sensors monitor, track and communicate with each other, populating the Internet of Things with real time data.
- 30+ petabytes of user created data is stored, accessed and analyzed on Facebook every day.
- Big Data volume will amount to 44 zettabytes by 2020. A zettabyte is 1,000,000,000,000,000,000 bytes. That's equivalent to the data on 250 billion DVDs.
- Amazon's cloud platform is big enough to hold 80 books for every single person on Earth.
- In 2014, Amazon's site went down for nearly 49 minutes and the company lost approximately \$4.8 million in sales.
- Netflix saves users from watching about 130 hours of commercials per year (on regular TV).

Source: www.sciencedaily.com

Application Services

There is a growing dependency on applications, which affect the dynamics of an enterprise. Thus organizations rely heavily on their IT investments to derive maximum value and be customized to the company's business objectives. Realizing this need, Saksoft offers a host of application development services. Backed by over 15 years of experience, our applications have process adherence using proven CMMI level 5 standards and we have 80+ applications in Managed Services. The company also has offshore dedicated centers for application development and delivery. Key services offered are:

- Custom application development
- Smart enterprise integration
- Legacy system modernization
- Application server migration
- Enterprise Mobility Services

Cloud services

Cloud computing is growing quickly and enabling businesses achieve flexibility in operations. It evolves constantly in response to business environments. Saksoft offers cloud services beginning with assessing business needs, designing customized cloud solutions and managing the environment in partnership with our Cloud ecosystem partners. The Company ensures client engagement and control around the complete solution delivery process. These services are delivered via the internet and clients don't have to worry about hardware or software licenses to manage them. Running it as an opex only model doesn't incur year-on-year expenditure, and is the primary reason for increasing adoption with SMEs for cost cutting and getting flexibility. The categories of cloud services are:

- Infrastructure-As-A-Service (IaaS)
- Platform-As-A-Service (PaaS)
- Software-As-A-Service (SaaS)

Our delivery centers

Saksoft has three global delivery centers in Chennai, Noida and Manchester. Between them, the Company uses more than 65,000 sq. ft of development space with a 700+ seating capacity. The Manchester center supports UK customers with tools and application support. The center is also used to conduct custom-built and public education training courses in IM areas for UK customers. The Chennai center houses the corporate office and delivers support, development and managed services operations. Chennai also has a dedicated center for a credit management client. The Noida center runs the credit management client's international development and support projects. One of Saksoft's large clients uses all three centers for entire outsourcing needs. Saksoft established a dedicated connectivity between Saksoft offices.

Quality assessments

Saksoft is dedicated to quality. The Company deploys various quality improvement measures / techniques at every stage from project conceptualization to commissioning and operations phases to identify improvement areas and develop action plans to achieve desired quality across activities.

Human resources

Saksoft is a knowledge-driven organization focused on select people recruitment and retention. The Company's HR function focuses on employee training, values inculcation and enhanced functional expertise. The Company's key HR objective is to ensure that employees are aware of expected roles leading to organizational momentum. The Saksoft group's headcount stood at 781 as on 31 March 2016. The top management conducted several discussions with employees to discuss multiple issues including leadership qualities, values, responsibilities, workplace freedom and empowered decision making. Going ahead, the Company will continue to invest in people to strengthen its service delivery.

Corporate social responsibility

At Saksoft, we take pride in contributing to the growth of the communities in which we live. Inclusive growth happens only when the under-privileged communities are empowered with knowledge, environment and skills to compete and contribute to the nation building. Saksoft efforts are aligned towards improving lives of these people and provide them the helping hand in a sustained manner to improve their livelihood. During the year under review, the Board of Directors considered the recommendation of the CSR Committee for the contribution of the CSR fund in the field of promoting gender equality, women empowerment and providing healthcare to women and children. More information on CSR activities is given in the Directors' Report. Apart from complying with Section 135 of the Companies Act, 2013, and its rules thereunder with respect to CSR, employees of the Company voluntarily undertake various CSR activities in and around the location of the delivery Centre in Chennai and Noida by supplying clothes, food to orphanages and visiting old age homes etc.

Overall, our CSR investments stood at ₹1.34 mn in 2015-16, representing 2% of the average net profit of the preceding 3 years.



Opportunities and risks

Opportunities

Saksoft intends to focus on the following opportunities:

- Acquire competencies in the business integration space.
- Enhance automation as well as man power utilization
- Increasingly cross-sell and up-sell products and competencies
- Add more million dollar customer accounts
- Focus on strategic selection and widening of partners
- Drive margin and profitability gains by venturing into integrated, complex projects; effectively control costs

Risks and concerns

As with any organization, Saksoft recognizes the need to recognize risk and have mitigation strategies in place. The Company's risk management framework ensures the organization operates in compliance with the Companies Act 2013 and SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and has processes in place to identify and mitigate risks. The Board Members are aware of the analysis and strategies which are reviewed periodically to ensure the Company controls risk through a well-defined framework.

A detailed chapter on the key risks facing the business and their mitigation strategies are discussed in Annexure 10 of this report.

Review of key financials (Consolidated)

Income from operation: Saksoft's financials reflect growth across market cycles with a 45.43% growth in PBT to ₹330 mn in 2015-16.

(₹ in mn)

Metric	2015-2016	2014-15
Income from operations	2,437	2,314
EBIDTA	384	282
Cash profit	228	187
Net profit	185	167
Earnings per share (in ₹)	18.82	17.12

EBIDTA: The Company's EBIDTA increased from ₹282 mn in 2014-15 to ₹384 mn in 2015-16. EBIDTA margin stood at 15.74% during the year under review.

Tax: The Company's effective tax rate stood at 34% in 2015-16 and tax provisions during the year was ₹112 mn.

Net profit: The Company's net profit increased from ₹167 mn in 2014-15 to ₹185 mn in 2015-16, a creditable achievement in a challenging business environment.

Dividend: The Company proposed a dividend of 30% for 2015-16 (₹3 per share of face value of ₹10); dividend payout increased by 5% in comparison to the previous year.

Share capital: The Company's paid-up share capital stood at ₹103.95 mn on 31st March, 2016 against ₹103.60 mn for the previous year.

Internal control and systems

The Company has adequate internal controls for safeguarding its assets, ensuring transactions are in accordance with its policies and are duly authorised, recorded and reported and to prevent possibilities of frauds or other irregularities. The Company is working to further strengthen the systems for internal audit and risk assessment and mitigation. The annual audit plan is reviewed by the Audit Committee and major findings and actions are taken / proposed to be taken are also reported to the Audit Committee.

Cautionary statement

Statements made in the Management Discussion and Analysis report relating to projections, estimates, expectations or predictions are based on certain assumptions. The Company cannot guarantee that these assumptions are accurate or will be realised. The actual results, performance or achievements of the Company could thus differ materially from those projected or estimated.

ANNEXURE 10

Risk Management

Overview

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

Structure of our Risk Management

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

Level	Key roles and Responsibilities
Board of Directors	Oversee the risk management performed by the Executive Management.
Risk Management team	Comprises of Executive Management viz., <ol style="list-style-type: none"> 1. Aditya Krishna – Chairman & Managing Director 2. Amit Chatterjee- Executive Vice President, Sales & Marketing and CEO, Acuma Solutions 3. Dhiraj Mangla – Executive Vice President and Global Delivery Head 4. Niraj Kumar Ganeriwal – Chief Financial Officer
Role of Risk management team	<ul style="list-style-type: none"> • Assisting the Board on identification of risk factors • Evaluation of Operational, Strategic and External Risk elements. • Mitigation of Risk • Monitoring the Risk Management practices • Periodic reviewing of Risk assessment • Formulation and deploying Risk Management policies • Providing updates to the Board from time to time

Categories of Risk

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

Economy

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

Business

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

Currency volatility

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

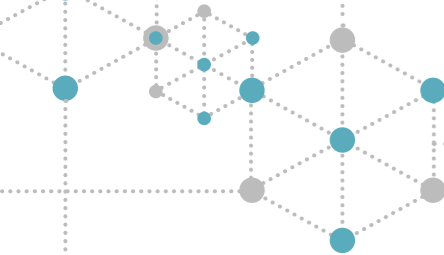
People

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

Management perception of Risk Management:-

Risk identification

Identifying the risk forms the fulcrum of the risk management process since all our efforts are being tailored in countering and eliminating them successfully. As part of identification process



mechanism are put in place which includes risk survey, risk scanning, In-depth analysis, detailed discussions across functions and internal audit findings. These mechanisms throw high level data which provide pointers for risk identification.

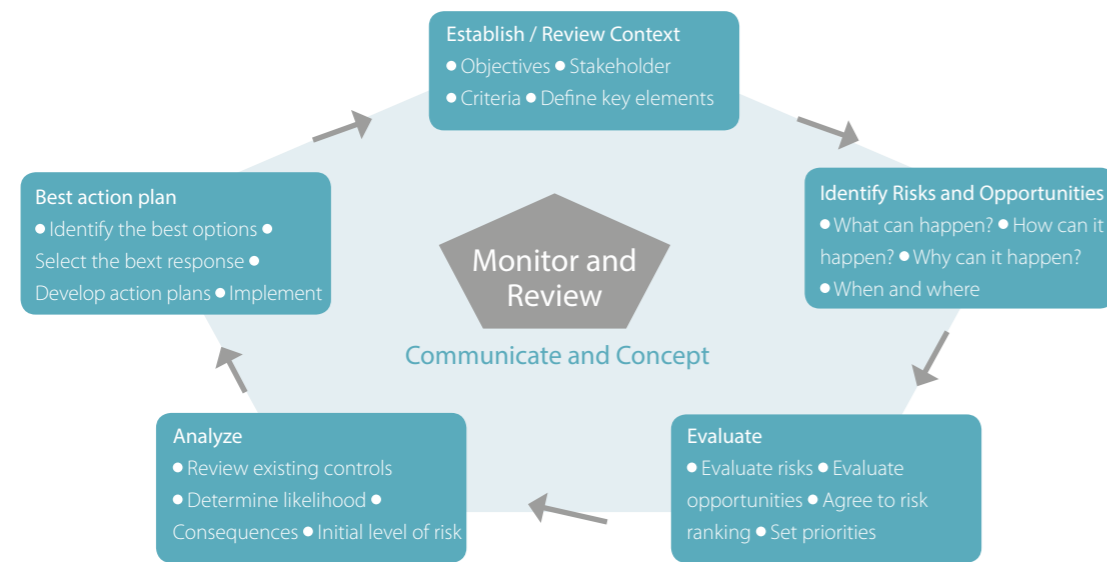
Risk Measurement

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

Risk Reporting

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

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



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

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

Risk assessments and review

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

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

Financial Statements

Independent Auditor's Report

To
The Members of
Saksoft Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Saksoft Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note 22(a) to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Suri & Co.

Chartered Accountants
Firm Registration No. 0042835

S. Ganesan

Partner

Place : Chennai

Date : 27th May, 2016

Membership No.018525

Annexure A to the Auditors' report

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31st March, 2016, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The Company does not have any immovable properties, hence this clause is not applicable.
- (ii) The Company is a service company, primarily rendering software development and support services. Accordingly it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) (a) and (b) of the Order is not applicable.
- (iv) The Company has not advanced any loans. In respect of investments and guarantee, provisions of Section 185 and 186 of the Companies Act, 2013 has been complied.
- (v) The Company has not accepted any deposits.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the company.
- (vii) a) According to the information and explanations given to us and based on our examination of the records of the company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, cess and other statutory dues with the appropriate authorities and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income tax, Service tax, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of dues	Amount Disputed (₹)	Amount Paid (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax dues	22,783,883	15,379,843	Financial year 2008-09	Appeal filed before the ITAT Chennai.
Income Tax Act, 1961	Income tax dues	17,74,972	Nil	Financial year 2010-11	Appeal filed before the CIT(A)-XV Chennai.
Income Tax Act, 1961	TDS Dues	5,332,588	Nil	Financial years 2011-12, 2010-11, 2009-10, 2008-09 and prior years.	Rectification petition filed before the Assessing Officer.
The Finance Act, 1994	Service Tax dues	32,609,738	2,500,000	October 2004 to March 2009	Customs, Excise & Service Tax Appellate Tribunal, Chennai.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable

and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

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

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

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

S. Ganesan
Partner
Membership No.018525

Place : Chennai
Date : 27th May, 2016

Annexure B to the Auditors' report

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Saksoft Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. Ganesan
Partner

Place : Chennai
Date : 27th May, 2016

Membership No.018525

Balance Sheet as at 31 March 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	103.95	103.60
(b) Reserves and Surplus	3	540.08	465.01
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	255.13	296.49
(b) Long-Term Provisions	5	5.85	7.66
(3) Current Liabilities			
(a) Trade Payables			
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		17.49	26.30
(b) Other Current Liabilities	6	51.99	30.61
(c) Short-Term Provisions	7	48.62	49.07
		1,023.11	978.74
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	14.93	8.90
(ii) Intangible Assets	9	1.89	1.41
(b) Non-Current Investments	10	771.68	800.77
(c) Deferred Tax Assets (Net)	11	14.43	16.04
(d) Long term Loans and Advances	12	8.72	8.64
(2) Current Assets			
(a) Current Investments	13	27.05	-
(b) Trade Receivables	14	123.34	88.78
(c) Cash and Bank Balances	15	28.45	28.46
(d) Short-Term Loans and Advances	16	26.13	22.79
(e) Other Current Assets	17	6.49	2.95
		1,023.11	978.74

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

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2016

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

	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE			
I. Revenue from Operations			
Sale of services		507.47	466.05
II. Other Income			
	18	43.64	14.27
III. Total Revenue (I+II)		551.11	480.32
Expenses			
Employee benefits expense	19	221.07	217.71
Finance Costs	20	36.39	35.00
Depreciation and amortization expense		6.14	11.09
Support / Third party charges		50.15	50.12
Other expenses	21	92.01	83.84
IV. Total Expenses		405.76	397.76
V. Profit before exceptional and extraordinary items (III-IV)		145.35	82.56
VI. Exceptional Items		-	-
VII. Profit before extraordinary items		145.35	82.56
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT)		145.35	82.56
X. Tax Expense:			
(a) Current Tax		39.00	27.00
(b) Deferred Tax		1.61	(1.66)
XI. Profit/ (loss) for the period [Profit After Tax (PAT)]		104.74	57.22
XII. Earnings per equity share of ₹10 each (in ₹)			
(1) Basic		10.67	5.86
(2) Diluted		9.94	5.47

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

For and on behalf of the Board of Directors

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

Date: May 27, 2016
Place: Chennai

Cash Flow Statement for the year ended 31 March 2016
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
A CASH FLOWS FROM OPERATING ACITIVITIES		
Profit after tax:	104.74	57.22
Adjustments for:		
Tax expense for the year	40.61	25.34
Depreciation & amortisation	6.14	11.09
(Profit)/Loss on sale of fixed assets, net	(0.24)	(0.27)
(Profit)/Loss on sale of Investments	(4.32)	(4.64)
Provision for diminution in the value of investments	3.01	
Interest and other Income	(0.75)	(0.83)
Dividend Income	(31.19)	(0.66)
Interest and Finance charges	36.39	35.00
Unrealised foreign exchange loss/ (gain) , net	1.23	0.42
Operating capital before working capital changes	155.62	122.67
(Increase)/ decrease in sundry debtors	(36.00)	60.35
(Increase)/ decrease in other current assets, loans and advances	(4.12)	(1.22)
Increase/(decrease) in current liabilities and provisions	(19.41)	24.23
Cash generated from operations	96.09	206.03
Taxes paid, net	(41.83)	(24.70)
Net cash flow from operating activities	54.26	181.33
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset	(13.56)	(3.77)
Proceeds from sale of Fixed assets	1.16	0.27
Interest and other Income	0.75	0.83
Sale / (Purchase) of Current Investments , (net)	(27.05)	13.59
Sale / (Purchase) of Non current Investments , (net)	30.40	(167.26)
Dividend income Received	31.19	0.66
Net cash flow from Investing activities	22.89	(155.68)

Cash Flow Statement for the year ended 31 March 2016
(All amounts are in Indian rupees millions, except share data and as otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) of borrowings	(11.53)	55.89
Interest and Finance charges	(36.39)	(35.00)
Proceeds from allotment of shares	2.02	5.53
Dividend paid	(31.32)	(28.26)
Net cash flow from Financing activities	(77.22)	(1.84)
D EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	0.06	(0.35)
Net (Decrease)/ Increase of cash and cash equivalents (A+B+C+D)	(0.01)	23.46
Cash and cash equivalents at the beginning of the year	28.46	5.00
Cash and cash equivalents at the end of the year	28.45	28.46

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

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

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence, Testing & Software Solutions across Industries & Verticals. Saksoft provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. The Company provides the entire gamut of software solutions including IM Strategy, Consulting, Design, Custom Application development, RaaS, BI & DW Services, Systems integration, Implementation, Assurance and Placement services.

Note-1: Significant accounting policies

a. Basis of preparation of financial statements

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

b. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Tangible fixed assets, Capital work-in-progress and depreciation/amortisation

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

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

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

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

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

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

d. Intangible assets and amortization

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

e. Leases

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

Note-1: Significant accounting policies (contd.)

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

f. Impairment of assets

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

g. Investments

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

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

h. Foreign currency transactions

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

i. Revenue recognition

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

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

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

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

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

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

Interest income is recognized on the time proportionate method.

j. Employee benefits

Provident Fund

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

Gratuity

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gain/loss are immediately recorded to the profit and loss account and are not deferred. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

Note-1: Significant accounting policies (contd.)

Compensated Absences

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short term compensated absences.

k. Taxation

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

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

l. Earnings per share

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

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

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

m. Employees stock option schemes

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

n. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

	As at March 31, 2016	As at March 31, 2015
Note 2 Share Capital		
(A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
20,100,000 Equity Shares of ₹10 each	201.00	201.00
Issued, Subscribed & Paid-up:		
10,395,000 Equity Shares of ₹10 each	103.95	103.60
Total	103.95	103.60
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Outstanding as at beginning of the year	1,03,60,000	1,02,35,000
Add: Shares allotted to employees pursuant to ESOP 2009	35,000	1,25,000
Outstanding as at the end of the year	1,03,95,000	1,03,60,000

(C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

(D) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	23,23,070	22.35%	36,73,070	35.45%
2	Sak Industries Private Limited	43,50,000	41.85%	30,00,000	28.96%
3	Saksoft Employees Welfare Trust	5,42,460	5.22%	5,54,960	5.36%
	Total	72,15,530	69.42%	72,28,030	69.77%

(E) Shares reserved for issue under options and contracts [Refer Note - 22(h)]

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	515,000 Options (PY: 250,000 Options)	Employees	ESOP 2009

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 3 Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	84.74	80.46
Add: Additions during the year		
On issue of Shares	1.68	4.28
Closing balance	86.42	84.74
(C) Other Reserves:		
General Reserve		
Opening Balance	46.44	40.72
Add: Additions during the year		
Amount transferred from Surplus in Statement of Profit and Loss	-	5.72
Closing Balance	46.44	46.44
(D) Surplus in Statement of Profit and Loss		
Opening balance	333.62	313.93
Less: Adjustment for carrying amount of assets as required by Schedule II of Companies Act 2013	-	(0.49)
Add: Additions during the year		
Profit for the year	104.74	57.22
Total	438.36	370.66
Appropriations :		
- Transfer to General Reserve	-	5.72
- Proposed Dividend	31.19	25.90
Amount per Share ₹3.00 (Previous year - ₹2.50 per Share)		
- Tax on proposed Dividend	0.16	5.42
Total	31.35	37.04
Net Surplus in Statement of Profit and Loss	407.01	333.62
	540.08	465.01

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 4 Long Term Borrowings		
(A) Term Loans		
From Banks - Secured	70.00	110.00
Secured by first charge on Company's unencumbered movable fixed assets, second charge on all the current assets of the company and the personal guarantee of the Managing Director		
Repayment Terms:		
Repayable in 7 equal Quarterly installments commencing from April 2017		
Rate of interest : 11.25%		
Period and amount of continuing default: NIL		
(B) Loans and Advances from Related Parties		
Unsecured		
Sak Industries Private Limited	185.00	185.00
Repayment Terms:		
The Loan is repayable in full by 30th September 2020.		
Period and amount of continuing default: NIL		
(C) Long Term Maturities of Finance Lease Obligations		
Secured by hypothecation of cars taken on lease	0.13	1.49
	255.13	296.49

Note 5 Long Term Provisions

Provision for Gratuity	4.20	4.21
Rent Straight lining	1.65	3.45
	5.85	7.66

Note 6 Other Current Liabilities

Current maturities of long term loans	40.00	10.16
Current maturities of finance lease obligations	0.56	1.25
Income received in advance	4.05	4.92
Unclaimed Dividend	0.32	0.23
Other payables:		
Tax deducted at source	5.00	3.37
Provident Fund	2.06	1.74
Others *	-	8.94
	51.99	30.61

* Amount payable to shareholders of ThreeSixty Logica Testing Services Private Limited pursuant to share purchase agreement

Note 7 Short Term Provisions

Employee benefits	15.47	15.95
Rent Straight lining	1.80	1.80
Provision for proposed dividend (including dividend distribution tax)	31.35	31.32
	48.62	49.07

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Note 8 Tangible Assets

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

Description	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	Deductions during the year	As at March 31, 2016	As at March 31, 2015
1. Plant & Machinery						
- General Plant and Machinery						
- Owned	10.36	10.36	10.21	0.15	10.36	0.15
2. Furniture & Fittings						
- General Furniture and Fittings	14.18	16.47	14.14	0.31	14.35	0.04
3. Motor Vehicles						
- Owned	3.50	3.47	1.93	0.69	2.53	1.57
- Leased	4.77	2.83	2.26	0.94	2.17	2.51
4. Electrical Installations and Equipment						
- Owned	7.02	10.01	7.02	0.16	7.12	-
5. Computers and data processing units						
- Owned	38.84	39.74	36.72	2.01	35.07	2.12
6. Office equipments						
- Owned	32.03	34.16	29.52	0.99	30.51	2.51
Total	110.70	117.04	101.80	5.25	102.11	8.90
Previous year	110.08	110.70	97.49	7.43*	101.80	8.90

* Includes ₹0.49 millions recognised in opening balance of retained earnings as required under Schedule II of Companies Act 2013.

Note 9 Intangible Assets

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

Description	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Amount	
	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	Deductions during the year	As at March 31, 2016	As at March 31, 2015
1. Computer software						
- Acquired	21.39	22.76	19.98	0.89	20.87	1.41
2. Intellectual property rights						
- Acquired	4.50	4.50	4.50	-	4.50	-
Total	25.89	27.26	24.48	0.89	25.37	1.41
Previous year	25.87	25.89	25.32	4.16	24.48	1.41

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Particulars	Face value (fully paid up)	As at March 31, 2016		As at March 31, 2015	
		No. of shares / units	Cost	No. of shares / units	Cost
Note 10 Non-Current Investments					
Trade Investments - Unquoted					
1. Equity Shares					
(i) In subsidiary companies					
Saksoft Inc, USA	USD 1	1,95,000	9.24	1,95,000	9.24
Saksoft Pte Limited, Singapore	SGD 1	5,55,002	19.17	5,55,002	19.17
Saksoft GmbH, Germany	EUR 1	50,000	3.01	50,000	3.01
Less: Provision for Diminution in value of Investment	EUR 1	(50,000)	(3.01)	-	-
Saksoft Solutions Limited, United Kingdom	GBP 1	50,01,000	434.45	50,01,000	434.45
ThreeSixty Logica Testing Services Private Limited	INR 10	5,100	206.67	5,100	206.67
Saksoft FR (France)	EUR 1	50,000	4.26	50,000	4.26
		58,06,102	673.79	58,56,102	676.80
2. Preference Shares					
(i) In Subsidiary Company					
5% redeemable preference shares					
Saksoft Solutions Limited (SSL), United Kingdom #	GBP 1	11,26,015	97.89	14,26,000	123.97
		11,26,015	97.89	14,26,000	123.97
Total			771.68		800.77

2,99,985 preference shares have been redeemed by SSL during the year

	As at March 31, 2016	As at March 31, 2015
Note 11 Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	9.71	10.47
Retirement Benefits	3.52	3.83
Other tax disallowances	1.20	1.74
	14.43	16.04

Note 12 Long Term Loans and Advances

(A) Security Deposits		
Unsecured, Considered good	8.45	8.37
(B) Related Party		
Unsecured, Considered good		
Saksoft employees welfare trust and gratuity trust	0.27	0.27
	8.72	8.64

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares / units	Cost	No. of shares / units	Cost
Note 13 Current Investments				
Non Trade - Unquoted				
In Liquid Mutual Fund Units				
Opening balance	-	-	13 573	13.59
Add: Investments transferred pursuant to scheme of amalgamation	-	-	-	-
Additions during the year	21,60,657	216.72	13,53,832	136.61
Deletions during the year	(18,90,982)	(189.67)	(13,67,405)	(150.20)
Total	2,69,675	27.05	-	-
Aggregate fair value of unquoted investments				
Current year (31 March 2016)				27.05
Previous year (31 March 2015)				Nil

	As at March 31, 2016	As at March 31, 2015
Note 14 Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	2.65	3.35
	2.65	3.35
(B) Others		
(i) Unsecured, Considered good	120.69	85.43
	120.69	85.43
	123.34	88.78

Note 15 Cash and Bank Balances

(A) Balance with Banks		
(i) Balance in Current account	27.79	14.44
(ii) In Deposit accounts		
- With Maturity within 12 months	-	-
- With Maturity after 12 months	0.24	0.20
(iii) In Deposit accounts with Bank		
- Held as Security against Guarantee given	-	13.55
(iv) Unpaid dividend accounts	0.32	0.23
(B) Cash on hand	0.10	0.04
	28.45	28.46

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 16 Short Terms Loans and Advances		
Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	18.76	15.92
Balance with service tax authorities	3.26	3.28
Prepaid Expenses	2.81	2.77
Employee loans and advances	1.29	0.28
Advance to suppliers	0.01	0.54
	26.13	22.79

Note 17 Other Current Assets

Interest accrued but not due on fixed deposits	0.03	0.17
Unbilled Revenue	6.46	2.78
	6.49	2.95

	Year ended March 31, 2016	Year ended March 31, 2015
Note 18 Other Income		
(A) Income from investments		
Dividends	31.19	0.66
	31.19	0.66
(B) Others		
Exchange Fluctuation (net)	7.10	5.20
Interest income	0.75	0.83
Profit on Sale of Assets	0.24	0.27
Profit on Sale / redemption of investments	4.32	4.64
Bad debts recovered	-	0.64
Creditors no longer payable written back	-	1.67
Miscellaneous Receipts	0.04	0.36
	12.45	13.61
	43.64	14.27

Note 19 Employee Benefits Expense

Salaries and wages	201.75	201.74
Contribution to Provident and other funds	11.85	10.47
Staff Welfare Expenses	7.47	5.50
	221.07	217.71

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

	Year ended March 31, 2016	Year ended March 31, 2015
Note 20 Finance Costs		
Interest Expense	34.49	26.01
Other borrowing cost	1.90	8.99
	36.39	35.00
Note 21 Other Expenses		
Rent	24.06	20.86
Travel and conveyance	25.88	26.75
Insurance	0.81	0.68
Rates and Taxes	0.38	0.87
CSR Expenditure	1.35	1.20
Power and Fuel	11.88	12.00
Repairs to Buildings	10.46	9.03
Repairs to Plant	2.03	1.75
Communication Expenses	4.11	3.78
Provision for diminution in value of investment	3.01	-
Payment to statutory auditors		
- As Auditors	0.80	0.80
- For Tax Audit	0.23	0.23
- For Certification	0.29	0.26
- For Taxation matters	0.08	0.08
- reimbursement of expenses	0.08	0.06
Legal, Professional and consultancy charges	3.52	2.68
Advertisement, Publicity and Sale Promotion	0.85	0.86
Miscellaneous expenses	2.19	1.95
	92.01	83.84

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
1. Income-tax matters	29.89	36.15
2. Service-tax matters	32.61	32.61
3. Guarantee given to Banks to facilitate Credit to Subsidiary Company	-	125.06

The future cash outflows on items 1 & 2 above are determinable only on receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of these proceedings to have an adverse material effect on the financial results.

b. Finance lease obligations

Particulars	As at March 31, 2016	As at March 31, 2015
Future obligations for assets taken on lease		
Not later than 1 year	0.63	1.67
Later than 1 year but not later than 5 years	0.13	1.65
	0.76	3.32
Less: Amounts representing future interest		
Not later than 1 year	0.07	0.42
Later than 1 year but not later than 5 years	0.00	0.16
	0.07	0.58
Present value of minimum lease rentals		
Not later than 1 year	0.56	1.25
Later than 1 year but not later than 5 years	0.13	1.49
	0.69	2.74

c. Earnings in foreign currency

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income from software services	399.91	365.19
Dividend Income	9.97	-

d. Expenditure in foreign currency

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, travel and other expenses	3.80	22.22

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes (contd.)

e. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Industries Inc Sak Abrasives Inc Sakserve Private Limited Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust Sonnet Trade & Investments Private Limited. Sak Industries Pte Ltd
Subsidiaries and step down subsidiaries and Joint Venture	Saksoft Inc, USA Saksoft Pte Ltd, Singapore Saksoft GmbH, Germany Saksoft Solutions Limited, UK Acuma Solutions Limited, UK Acuma Software Limited, UK Electronic Data Professionals Inc, USA Saksoft FR SARL, France ThreeSixtyLogica Testing Services Pvt Ltd, India ThreeSixtyLogica Testing Services Inc, USA
Key management personnel	Mr Aditya Krishna – Managing Director Mr Niraj Kumar Ganeriwala-CFO Mr Vivekanandan Babu- Company Secretary
Relatives of Key Managerial Personnel	Ms Kanika Krishna – Director Ms Avantika Krishna – Employee

Transactions entered during the year

Description	Year ended March 31, 2016	Year ended March 31, 2015
Revenues		
Acuma Solutions Limited, United Kingdom	47.67	76.30
Saksoft Inc, USA	295.85	230.64
Saksoft Pte Limited, Singapore	9.07	6.16
Dividend Income		
Saksoft Inc, USA	9.97	-
ThreeSixty Logica Testing Services Pvt Ltd, India	20.40	-
Reimbursement of expenses (Net)		
Saksoft Solutions Limited, United Kingdom	1.01	-
Acuma Solutions Limited, United Kingdom	0.02	0.02
Saksoft Inc, USA	2.06	0.97
Saksoft Pte Limited, Singapore	0.57	0.93
Sak Industries Pvt Ltd	0.62	0.87
Rent Expense		
Sak Industries Private Limited	6.84	6.84
Dividend paid		
Sak Industries Private Limited	10.88	7.50

Notes forming part of the Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes (contd.)

e. Related party disclosures (contd.)

Transactions entered during the year

Description	Year ended March 31, 2016	Year ended March 31, 2015
Managing Director	5.81	9.18
Chief Financial Officer	0.10	0.08
Interest on loan		
Sak Industries Private Limited	20.47	21.42
Borrowings/(Repayment), net		
Sak Industries Private Limited	-	(35.00)
Investment/(Redemption) made during the year		
Investment in ThreeSixtyLogica Testing Services Pvt Ltd	-	206.67
Investment in Saksoft FR SARL	-	4.26
Redemption of 5% Redeemable Preference shares of Saksoft Solutions Limited, United Kingdom	(30.40)	(39.41)
Remuneration		
Managing Director	3.00	3.00
Chief Financial Officer	3.82	3.49
Company Secretary	1.02	0.96
Employee remuneration	1.17	0.61
Director Commission	0.10	-
Sitting Fees-Director	0.08	0.06
Shares allotted under ESOP (2009 scheme)		
Chief Financial Officer	10,000	40,000
Interest Free Loan		
Chief Financial Officer	0.50	-

Year end balances

Description	As at March 31, 2016	As at March 31, 2015
Investments		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft GmbH, Germany	3.01	3.01
Saksoft Solutions Limited, United Kingdom	532.35	558.42
Saksoft FR SARL, France	4.26	4.26
ThreeSixty Logica Testing Services Pvt Ltd, India	206.67	206.67
Receivables		
Acuma Solutions Limited, United Kingdom	4.20	3.15
Saksoft Inc, USA	75.84	50.85
Saksoft Pte Limited, Singapore	-	0.48
Loans and advances		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Borrowings		
Sak Industries Private Limited	185.00	185.00
Interest Free Loan		
Chief Financial Officer	0.50	-

Note 22 Additional notes (contd.)

f. Segment information

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

Geographic location of customers	Year ended March 31, 2016	Year ended March 31, 2015
Revenue		
India	154.88	152.95
United Kingdom	47.67	76.30
USA	295.85	230.64
Singapore	9.07	6.16
	507.47	466.05

Fixed assets used in the Company's business, assets or liabilities contracted, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

g. Gratuity

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Change in Defined Benefit Obligation		
Opening defined benefit obligation	11.22	9.57
Current service cost	2.54	2.15
Interest cost	1.03	1.05
Actuarial losses/ (gain)	(1.15)	(0.32)
Past service cost	-	-
Benefits paid	(0.52)	(1.23)
Closing defined benefit obligation	13.12	11.22
Change in fair value of assets		
Opening fair value of plan assets	7.01	4.78
Expected return on plan assets	0.57	0.42
Actuarial gain/ (losses)	(0.14)	(0.04)
Contribution by Employer	2.00	3.30
Withdrawn by Employer		(0.22)
Benefits paid	(0.52)	(1.23)
Closing fair value of plan assets	8.92	7.01
Liability recognised in the balance sheet	4.20	4.21
Expense recognized in the profit and loss account		
Current service cost	2.54	2.15
Interest cost on defined benefit obligation	1.03	1.05
Expected return on plan assets	(0.57)	(0.42)
Net Actuarial losses / (gains) recognised in a year	(1.01)	(0.29)

Note 22 Additional notes (contd.)

g. Gratuity (contd.)

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Part service cost	-	-
Net gratuity cost	1.99	2.49
Actual return on plan assets	0.43	0.38
Assumptions		
Discount rate	7.75%	8.00%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	7%

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

Experience Adjustments

Particulars	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Defined Benefit Obligation	9.83	10.25	9.57	11.22	13.12
Plan Assets	2.60	3.53	4.78	7.01	8.92
Surplus/(Deficit)	(7.22)	(6.72)	(4.79)	(4.21)	(4.20)
Exp.Adj.on Plan Liabilities	(1.34)	(2.28)	(0.83)	(1.42)	(1.40)
Exp.Adj.on Plan Assets	(0.06)	(0.16)	(0.10)	(0.04)	(0.14)

h. Employee Stock option plans ('ESOP')

ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nomination and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of ₹10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 40,000 options under this Plan and accordingly, 542,460 equity shares of ₹10 each represent shares held by the Trust. During the year no options have been granted under this plan.

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding at the beginning of the year	100,000	200,000
Options granted during the year	-	-
Options exercised during the year	(12,500)	-
Options forfeited during the year	-	-
Options lapsed during the year	(50,000)	(100,000)
Options outstanding at the end of the year	37,500	100,000

Note 22 Additional notes (contd.)

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

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The plan considers an aggregate of 1,000,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee. The outstanding options available for exercise under the ESOP 2009 as on 31st March 2016 is 515,000 options.

During the year the Board of Directors have allotted 30,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of ₹44.25 per option and 5,000 shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 26th September 2014 at grant price of ₹138.70 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 1st February 2016 for 5,000 shares and 15th February 2016 for 30,000 shares. The paid up share capital of the Company after allotment of 35,000 equity shares stands at 10,395,000 Equity Shares as of 31st March 2016

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & Subsidiaries, 300,000 options on 25th May 2015 at a grant price of ₹151.70/-.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding at the beginning of the year	250,000	305,000
Options granted during the year	300,000	150,000
Options exercised during the year	(35,000)	(125,000)
Options forfeited during the year		
Options lapsed during the year	-	(80,000)
Options outstanding at the end of the year	515,000	250,000

Note 22 Additional notes (contd.)

i. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Earnings		
Net profit for the year	104.74	57.22
Shares		
Equity shares as at the balance sheet date	10,395,000	10,360,000
Less: Shares held by Saksoft employees welfare trust	542,460	554,960
Total number of equity shares the end of the year – Basic	9,852,540	9,805,040
Weighted average number of equity shares outstanding as at the end of the year – Basic	98,13,783	9,757,588
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year.	98,13,783	9,757,588
Add: Weighted average number of Shares held by Saksoft employees welfare trust	552,228	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	166,687	151,872
Weighted average number of equity shares outstanding during the year – Diluted	10,532,698	10,464,420
Earnings per share of par value ₹10 – Basic (₹)	10.67	5.86
Earnings per share of par value ₹10 – Diluted (₹)	9.94	5.47

j. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company there is no amount outstanding as on 31.03.2016. There are no overdue principle amounts and therefore no interest is paid or payable.

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

Vide our report of even date attached

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

Niraj Kumar Ganeriwal
Chief Financial Officer

R. Rajagopalan
Director

B. Vivekanandan
Company Secretary

Independent Auditor's Report

To
The Members of
Saksoft Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Saksoft Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 6 subsidiaries, whose financial statements / financial information reflect total assets of ₹1897.75 million as at 31st March, 2016, total revenues of ₹2320.90 million and net cash inflow amounting to ₹48.67 million for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 22 (a) to the financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

For Suri & Co.

Chartered Accountants
Firm Registration No. 0042835

S. Ganesan

Partner

Place : Chennai
Date : 27th May, 2016

Membership No. 018525

Annexure to the independent Auditor's Report of even date on the Consolidated Financial Statements of Saksoft Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Saksoft Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of the company incorporated in India.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

S. Ganesan

Partner

Place : Chennai
Date : 27th May, 2016

Membership No.018525

Consolidated Balance Sheet as at 31 March 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	103.95	103.60
(b) Reserves and Surplus	3	1,185.94	1,003.33
(2) Minority Interest		28.61	19.12
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	321.23	296.49
(b) Long-Term Provisions	5	11.43	11.85
(4) Current Liabilities			
(a) Short-Term Borrowings	6	3.19	125.64
(b) Trade payables			
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		257.50	280.02
(c) Other Current Liabilities	7	256.64	250.87
(d) Short-Term Provisions	8	106.82	73.51
		2,275.31	2,164.43
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	21.43	14.63
(ii) Intangible Assets	10	1,235.78	1,209.72
(b) Deferred Tax Assets (Net)	11	16.66	17.50
(c) Long term Loans and Advances	12	12.61	16.30
(2) Current Assets			
(a) Current Investments	13	27.05	-
(b) Trade Receivables	14	496.13	544.13
(c) Cash and Bank Balances	15	201.47	152.78
(d) Short-Term Loans and Advances	16	195.52	172.18
(e) Other Current Assets	17	68.66	37.19
		2,275.31	2,164.43

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

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

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

	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE			
I. Revenue from Operations			
Sale of services		2,437.32	2,314.00
II. Other Income	18	21.65	21.22
III. Total Revenue (I+II)		2,458.97	2,335.22
Expenses			
Employee benefits expense	19	1,123.82	966.95
Finance Costs	20	43.20	42.08
Depreciation and amortization expense		10.15	12.96
Support / Third party charges		601.43	704.21
Other expenses	21	350.20	382.00
IV. Total Expenses		2,128.80	2,108.20
V. Profit before exceptional and extraordinary items (III-IV)		330.17	227.02
VI. Exceptional Items		-	-
VII. Profit before extraordinary items		330.17	227.02
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT)		330.17	227.02
X. Tax Expense:			
(a) Current Tax		111.57	56.04
(b) Deferred Tax		0.85	(2.75)
XI. Profit/ (loss) for the period [Profit After Tax (PAT)]		217.75	173.73
XII. Minority Interest		33.08	6.68
XIII. Net Profit		184.67	167.05
XII. Earnings per equity share of ₹10 each (in ₹)			
(1) Basic		18.82	17.12
(2) Diluted		17.53	15.96

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

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2016

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

	Year ended March 31, 2016	Year ended March 31, 2015
A CASH FLOWS FROM OPERATING ACITIVITIES		
Profit after tax:	184.67	167.05
Adjustments for:		
Tax expense for the year	112.42	53.29
Depreciation and amortisation	10.16	12.96
(Profit) / Loss on sale of fixed assets, net	(0.24)	(0.27)
Dividend income	(0.82)	(0.66)
Profit on redemption of investments	(4.32)	(4.64)
Interest and finance charges	43.20	42.07
Operating capital before working capital changes	345.07	269.80
(Increase) / decrease in sundry debtors	48.00	(52.02)
(Increase) / decrease in other current assets, loans and advances	(49.45)	(61.93)
Increase / (decrease) in current liabilities and provisions	(15.08)	68.55
Increase / (decrease) in Minority interest	9.49	19.12
Cash generated from operations	338.03	243.52
Taxes paid, net	(82.10)	(24.92)
Net cash flows (used in) / from operating activities	255.93	218.60
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(16.05)	(5.32)
Sale of fixed assets	1.15	0.27
Purchase of Mutual fund units	(216.72)	(136.61)
Sale of Mutual Fund units	189.67	150.20
Dividend Income Received	0.82	0.66
Profit on redemption of investments	4.32	4.64
(Increase) / Decrease on account of goodwill on consolidation	-	(193.73)
Exchange Difference on Translation of Foreign Currency	(27.85)	58.92
Net cash flows (used in) / from investing activities	(64.66)	(120.97)

Consolidated Cash Flow Statement for the year ended 31 March 2016

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

	Year ended March 31, 2016	Year ended March 31, 2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayment) from borrowings	(97.72)	100.89
Interest and finance charges paid	(43.20)	(42.07)
Proceeds from allotment of shares	2.02	5.53
Dividend and dividend tax paid	(35.47)	(28.26)
Surplus on account of amalgamation	-	-
Net cash flows (used in) / from financing activities	(174.37)	36.09
D EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY	31.79	(72.89)
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	48.69	60.83
Cash and cash equivalents at the beginning of the year	152.78	91.95
Cash and cash equivalents at the end of the year	201.47	152.78

See accompanying Notes to financial statements

Vide our report of even date attached

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

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna Chairman & Managing Director	R. Rajagopalan Director
Niraj Kumar Ganeriwal Chief Financial Officer	B. Vivekanandan Company Secretary

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence, Testing & Software Solutions across Industries and Verticals. Saksoft provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. Saksoft Limited and its Subsidiaries ("The Group") provide the entire gamut of software solutions including IM Strategy, Consulting, Design, Custom Application development, RaaS, BI&DW services, Systems integration, Implementation, Assurance and Placement services. The subsidiaries including the step down in the Group considered in the presentation of these consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Percentage of ownership interest
Saksoft Inc	United States of America	100%
Step down Subsidiary of Saksoft Inc:		
Nanda Infotech Services Inc (D.B.A Electronic Data Professionals)	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft GmbH	Germany	100%
Saksoft Solutions Limited	United Kingdom	100%
Step down Subsidiaries of Saksoft Solutions Limited:		
Acuma Solutions Limited	United Kingdom	100%
Acuma Software Limited	United Kingdom	100%
Saksoft FR SARL	France	100%
ThreeSixty Logica Testing Services Pvt Ltd	India	51%
Step down Subsidiary of ThreeSixtyLogica Testing Services Pvt Ltd:		
ThreeSixtyLogica Testing Services Inc	United States of America	100%

Note-1: Significant accounting policies

a. Basis of preparation of financial statements

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

The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle (GAAP) of its Country of Incorporation or International Financial Reporting Standards (IFRS). The differences in accounting policies of the Company and its subsidiaries are not material.

b. Principles of Consolidation

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

The financial statements of Saksoft Limited – the parent Company, Saksoft Inc., and its subsidiary, Saksoft Pte Ltd, Saksoft GmbH, Saksoft Solutions Limited., UK and its subsidiaries Saksoft FR SARL and ThreeSixty Logica Testing Services Pvt Ltd., and its subsidiary, have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group. The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made are recognized in the financial statements as goodwill / capital reserve. The Group tests for impairment of goodwill at each balance sheet date. When the company identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Profit and Loss Account.

Note-1: Significant accounting policies (contd.)

Minority Interest in the Net income of the group have been identified and adjusted against the income of the group to arrive at the Net income attributable to the Parent Company. Minority Interest in the Net assets of the group have been identified and disclosed separately.

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

c. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d. Tangible fixed assets, Capital work-in-progress and depreciation/amortisation

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

Depreciation on Computer Equipments and Office Equipments is provided on the straight line method over the useful life as prescribed in Schedule II to the Companies Act 2013.. In respect of other assets , depreciation is provided over the useful life determined by Technical Evaluation. The useful lives of those assets are as under:

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

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

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

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

e. Intangible assets and amortization

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

f. Leases

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

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

g. Impairment of assets

Note-1: Significant accounting policies (contd.)

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

h. Investments

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

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

i. Foreign currency transactions

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

j. Revenue recognition

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

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

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

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

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

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

Interest income is recognized on the time proportionate method.

k. Employee benefits

Provident Fund

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

Gratuity

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gain/loss are immediately recorded to the profit and loss account and are not deferred. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

Compensated Absences

Note-1: Significant accounting policies (contd.)

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short term compensated absences.

l. Taxation

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

m. Earnings per share

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

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

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

n. Employees stock option schemes

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

o. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 2 Share Capital		
(A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
20,100,000 Equity Shares of ₹10 each	201.00	201.00
Issued, Subscribed & Paid-up:		
10,395,000 Equity Shares of ₹10 each	103.95	103.60
Total	103.95	103.60
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Outstanding as at beginning of the year	1,03,60,000	1,02,35,000
Add: Shares allotted to employees pursuant to ESOP 2009	35,000	1,25,000
Outstanding as at the end of the year	1,03,95,000	1,03,60,000

(C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation.

(D) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	23,23,070	22.35%	36,73,070	35.45%
2	Sak Industries Private Limited	43,50,000	41.85%	30,00,000	28.96%
3	Saksoft Employees Welfare Trust	5,42,460	5.22%	5,54,960	5.36%
	Total	72,15,530	69.42%	72,28,030	69.77%

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

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	515,000 Options (PY: 250,000 Options)	Employees	ESOP 2009

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 3 Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	84.74	80.46
Add: Additions during the year		
-On issue of Shares	1.67	4.28
Closing balance	86.41	84.74
(C) Other Reserves:		
(i) General Reserve		
Opening Balance	46.44	40.72
Add: Additions during the year		
-Amount transferred from Surplus in Statement of Profit and Loss	2.49	5.72
Closing Balance	48.93	46.44
(ii) Foreign currency translation reserve	97.89	66.11
(D) Surplus in Statement of Profit and Loss		
Opening balance	805.83	676.31
Less: Adjustment for carrying amount of assets as required by Schedule II of Companies Act 2013	-	(0.49)
Add: Profit for the year	184.67	167.05
Total	990.50	842.87
Appropriations :		
- Transfer to General Reserve	2.49	5.72
- Proposed Dividend	31.19	25.90
Amount per Share ₹3.00 (Previous year - ₹2.50 per Share)		
- Tax on Dividend	4.32	5.42
Total	38.00	37.04
Net Surplus in Statement of Profit and Loss	952.50	805.83
	1,185.94	1,003.33

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 4 Long Term Borrowings		
(A) Term Loans		
From Banks - Secured	70.00	110.00
Secured by first charge on company's unencumbered movable fixed assets, second charge on all the current assets of the company and the personal guarantee of the Managing Director.		
Repayment Terms:		
Repayable in 7 Equal Quarterly installments commencing from April, 2017.		
Rate of interest - 11.25%		
Period and amount of continuing default: NIL		
(B) Loans and Advances from Related Parties		
Unsecured		
(i) Sak Industries Private Limited	185.00	185.00
Repayment Terms:		
The Loan is repayable in full by 30th September 2020.		
Period and amount of continuing default: NIL		
(ii) From Sak Industries Pte. Limited	66.10	-
Repayment Terms:		
There is no fixed repayment schedule.		
Period and amount of continuing default: NIL		
(C) Long Term Maturities of Finance Lease Obligations		
Secured by hypothecation of cars taken on lease	0.13	1.49
	321.23	296.49

Note 5 Long Term Provisions

	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity	9.75	8.40
Rent Straight lining	1.68	3.45
	11.43	11.85

Note 6 Short Term Borrowings

	As at March 31, 2016	As at March 31, 2015
Loans Repayable On Demand		
From Banks - Unsecured	3.19	0.58
Period and amount of default : NIL		
From Banks - Secured		
Guarantee given by Holding company.	-	125.06
Period and amount of default : NIL		
	3.19	125.64

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 7 Other Current Liabilities		
Current maturities of long term loans	40.00	10.16
Current maturities of finance lease obligations	0.55	1.25
Interest accrued but not due on borrowings	0.82	0.35
Income received in advance	193.66	193.48
Unpaid Dividend	0.32	0.23
Other payables:		
Service tax	3.15	11.68
Tax deducted at source	15.55	17.32
Provident Fund	2.59	2.14
Others *		14.26
	256.64	250.87

* Includes ₹5.32 millions payable to erstwhile share holders of EDP pursuant to share purchase agreement

Includes ₹8.94 millions payable to share holders of 360 Logica Testing Services Private Limited pursuant to share purchase agreement.

Note 8 Short Term Provisions

	As at March 31, 2016	As at March 31, 2015
Employee benefits	42.53	40.39
Rent Straight lining	1.80	1.80
Provision for taxation	31.14	-
Provision for proposed dividend (including dividend distribution tax)	31.35	31.32
	106.82	73.51

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

Note 9 Tangible Assets

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

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at March 31, 2015	Translation/ Consolidation adjustment	As at March 31, 2016	As at March 31, 2015	Translation/ Consolidation adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
1. Plant & Machinery								
- General Plant and Machinery								
- Owned	10.36	-	10.36	10.21	-	10.36	-	0.15
2. Furniture & Fittings								
- General Furniture and Fittings	56.54	1.03	59.86	54.96	0.83	56.27	3.59	1.58
3. Motor Vehicles								
- Owned	3.51	-	3.48	1.93	-	2.53	0.95	1.58
- Leased	4.77	-	2.83	2.28	-	2.19	0.64	2.49
4. Electrical Installations and Equipment								
- Owned	7.02	-	10.01	7.02	-	7.12	2.89	-
5. Computers and data processing units								
- Owned	86.56	1.18	90.70	82.08	(1.38)	82.79	7.91	4.48
6. Office equipments								
- Owned	41.08	0.21	43.85	36.73	0.68	38.40	5.45	4.35
Total	209.84	2.42	221.09	195.21	0.13	199.66	21.43	14.63
Previous year	207.90	(0.24)	209.84	191.18	(2.01)	195.21	14.63	

* Includes ₹0.49 millions recognised in opening balance of retained earnings as required under Schedule II of Companies Act 2013.

Note 10 Intangible Assets

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

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at March 31, 2015	Translation/ Consolidation adjustment	As at March 31, 2016	As at March 31, 2015	Translation/ Consolidation adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
1. Goodwill								
- Goodwill on consolidation	1,205.20	27.74	1,232.94	-	-	-	1,232.94	1,205.20
- Acquired goodwill	4.21	0.24	4.45	4.21	0.24	4.45	-	-
2. Computer software								
- Acquired	29.80	0.04	31.21	25.28	2.20	28.37	2.84	4.52
3. Intellectual property rights								
- Acquired	4.50	-	4.50	4.50	-	4.50	-	-
Total	1,243.71	28.02	1,273.10	33.99	2.44	37.32	1,235.78	1,209.72
Previous year	1,109.99	(60.03)	1,243.71	29.04	0.66	33.99	1,209.72	

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 11 Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	10.82	10.57
Retirement Benefits	4.64	5.19
Other tax disallowances	1.20	1.74
	16.66	17.50

Note 12 Long Term Loans and Advances

(A) Security Deposits		
(i) Unsecured, Considered good	12.34	16.03
(B) Related Party		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	12.61	16.30

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares / units	Cost	No. of shares / units	Cost
Note 13 Current Investments				
Non-Trade-Unquoted - In liquid Mutual Fund				
In Liquid Mutual Fund Units				
Opening balance	-	-	13,573	13.59
Additions during the year	21,60,657	216.72	13,53,832	136.61
Deletions during the year	(18,90,982)	(189.67)	(13,67,405)	(150.20)
Total	2,69,675	27.05	-	-
Aggregate fair value of unquoted investments				
Current year (31 March 2016)				27.05
Previous year (31 March 2015)				Nil

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	As at March 31, 2016	As at March 31, 2015
Note 14 Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	22.91	37.44
(ii) Doubtful	6.06	2.17
Less: Allowance for bad and doubtful debts	(6.06)	(2.17)
	22.91	37.44
(B) Others		
Unsecured, Considered good	473.22	506.69
	473.22	506.69
	496.13	544.13

Note 15 Cash and Bank Balances

	As at March 31, 2016	As at March 31, 2015
(A) Balance with Banks		
(i) Balance in Current account	199.72	137.53
(ii) In Deposit accounts		
- With Maturity within 12 months	-	-
- With Maturity after 12 months	1.20	0.20
(iii) In Deposit accounts with Bank		
- Held as Security against Guarantee given	-	14.44
(iv) Unpaid dividend accounts	0.32	0.23
(B) Cash on hand		
	0.23	0.38
	201.47	152.78

Note 16 Short Terms Loans and Advances

	As at March 31, 2016	As at March 31, 2015
(A) Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	18.87	3.69
Service tax	4.26	3.27
Prepaid Expenses	165.24	159.30
Employee loans and advances	5.80	2.41
Advance to suppliers	1.35	3.51
	195.52	172.18

Note 17 Other Current Assets

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on fixed deposits	0.18	0.33
Unbilled Revenue	68.48	36.86
	68.66	37.19

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	Year ended March 31, 2016	Year ended March 31, 2015
Note 18 Other Income		
(A) Income from investments		
Dividends	0.82	0.66
	0.82	0.66
(B) Others		
Exchange Fluctuation (Net)	13.83	-
Interest income	1.97	0.88
Creditors no longer payable written back	-	1.67
Bad debts Recovered	-	0.64
Profit on Sale of Assets	0.24	0.27
Profit on Sale/ Redemption of investments	4.32	4.64
Rebate received	-	7.54
Miscellaneous Receipts	0.47	4.92
	20.83	20.56
	21.65	21.22

Note 19 Employee Benefits Expense

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	1,079.26	932.24
Contribution to Provident and other funds	20.36	21.19
Staff Welfare Expenses	24.20	13.52
	1,123.82	966.95

Note 20 Finance Costs

	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expense	38.55	31.55
Other borrowing cost	4.65	10.53
	43.20	42.08

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

	Year ended March 31, 2016	Year ended March 31, 2015
Note 21 Other Expenses		
License costs	68.76	171.49
Exchange Fluctuation (Net)	-	3.56
Rent	69.54	48.13
CSR Expenditure	2.17	1.20
Travel and conveyance	77.00	68.58
Insurance	18.50	16.13
Rates and Taxes	6.89	7.95
Power and Fuel	13.98	12.54
Repairs to Buildings	11.05	9.24
Repairs to Plant	3.47	2.98
Communication Expenses	17.60	12.88
Audit fee	6.18	5.51
Legal, Professional and consultancy charges	6.35	4.09
Provision for doubtful debts	3.79	-
Advertisement, Publicity and Sale Promotion	30.64	8.45
Miscellaneous expenses	14.28	9.27
	350.20	382.00

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
1. Income-tax matters	29.89	36.15
2. Service-tax matters	32.61	32.61

The future cash outflows on the items 1 & 2 above are determinable only on the receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of those proceedings to have an adverse material effect on its financial results.

b. Finance lease obligations

Particulars	As at March 31, 2016	As at March 31, 2015
Future obligations for assets taken on lease		
Not later than 1 year	0.63	1.67
Later than 1 year but not later than 5 years	0.13	1.65
	0.76	3.32
Less: Amounts representing future interest		
Not later than 1 year	0.07	0.42
Later than 1 year but not later than 5 years	0.00	0.16
	0.07	0.58
Present value of minimum lease rentals		
Not later than 1 year	0.56	1.25
Later than 1 year but not later than 5 years	0.13	1.49
	0.69	2.74

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes (contd.)

c. Related party disclosures

Enterprises in which key management personnel exercise significant influence	Sak Industries Private Limited Sak Industries Inc Sak Abrasives Inc Sakserve Private Limited Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust Sonnet Trade & Investments Private Limited. Sak Industries Pte Ltd
Key management personnel	Mr Aditya Krishna – Managing Director Mr Niraj Kumar Ganeriwala – Chief Financial Officer Mr Vivekanandan Babu – Company Secretary
Relatives of Key Managerial Personnel	Ms Kanika Krishna – Director Ms Avantika Krishna – Employee

Transactions entered during the year

Description	Year ended March 31, 2016	Year ended March 31, 2015
Rent expense		
Sak Industries Private Limited	9.24	6.84
Dividend paid		
Sak Industries Private Limited	10.88	7.50
Managing Director	5.81	9.18
Chief Financial Officer	0.10	0.08
Interest on loan		
Sak Industries Private Limited	20.47	21.42
Sak Industries Pte Limited	2.66	0.38
Borrowings / (Repayments), net		
Sak Industries Pte Ltd	66.10	(51.84)
Sak Industries Private Limited	-	(35.00)
Reimbursement of expenses		
Sak Industries Pvt Ltd	0.62	0.87
Remuneration		
Managing Director	3.00	3.00
Chief Financial Officer	3.82	3.49
Company Secretary	1.02	0.96
Employee remuneration	1.17	0.61
Director Commission	0.10	-
Sitting Fees – Director	0.08	0.06
Shares allotted under ESOP 2009 scheme		
Chief Financial Officer	10,000	40,000
Interest Free Loan		
Chief Financial Officer	0.50	-

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2016

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

Note 22 Additional notes (contd.)

c. Related party disclosures (contd.)

Year end balances

Description	As at March 31, 2016	As at March 31, 2015
Loans and advances		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
Borrowings		
Sak Industries Private Limited	185.00	185.00
Sak Industries Pte Ltd	66.10	-

d. Segment information

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

Geographic location of customers	Year ended March 31, 2016	Year ended March 31, 2015
Revenue		
India	154.88	213.52
Europe	779.18	1,096.79
USA	1422.86	912.91
Singapore	80.40	90.78
	2,437.32	2,314.00

Fixed assets used in the Company's business, assets or liabilities contracted, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

e. Gratuity

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Change in Defined Benefit Obligation		
Opening defined benefit obligation	15.41	9.57
Consolidation adjustment	-	2.09
Current service cost	3.71	3.23
Interest cost	1.43	1.32
Actuarial losses/ (gain)	(0.48)	0.43
Past service cost	-	-
Benefits paid	(0.57)	(1.23)
Closing defined benefit obligation	19.50	15.41

Note 22 Additional notes (contd.)

e. Gratuity (contd.)

Reconciliation of benefit obligation and plan assets

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Change in fair value of assets		
Opening fair value of plan assets	7.01	4.78
Expected return on plan assets	0.57	0.42
Actuarial gain/ (losses)	(0.14)	(0.04)
Contribution by Employers	2.06	3.30
Withdrawn by Employer	-	(0.22)
Benefits paid	(0.57)	(1.23)
Closing fair value of plan assets	8.93	7.01
Liability recognised in the balance sheet	10.57	8.40
Expense recognized in the profit and loss account		
Current service cost	3.71	3.23
Interest cost on defined benefit obligation	1.43	1.32
Expected return on plan assets	(0.57)	(0.42)
Net Actuarial losses / (gains) recognised in a year	(0.34)	0.47
Part service cost	-	-
Net gratuity cost	4.23	4.60
Actual return on plan assets	0.43	0.38
Assumptions		
Discount rate	7.75%	8.00%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	7%

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

Experience Adjustments

Particulars	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Defined Benefit Obligation	9.83	10.25	9.57	15.41	19.50
Plan Assets	2.60	3.53	4.78	7.01	8.93
Surplus/(Deficit)	(7.22)	(6.72)	(4.79)	(8.40)	(10.57)
Exp.Adj.on Plan Liabilities	(1.34)	(2.28)	(0.83)	(1.93)	(0.85)
Exp.Adj.on Plan Assets	(0.06)	(0.16)	(0.10)	(0.04)	(0.14)

f. Employee Stock option plans ('ESOP')

ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nominations and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares

Note 22 Additional notes (contd.)

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

to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of ₹10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 40,000 options under this Plan and accordingly, 542,460 equity shares of ₹10 each represent shares held by the Trust. During the year no options have been granted under this plan.

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding at the beginning of the year	100,000	200,000
Options granted during the year	-	-
Options exercised during the year	(12,500)	-
Options forfeited during the year	-	-
Options lapsed during the year	(50,000)	(100,000)
Options outstanding at the end of the year	37,500	100,000

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The plan considers an aggregate of 1,000,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee. The outstanding options available for exercise under the ESOP 2009 as on 31st March 2016 is 5,15,000 options.

During the year the Board of Directors have allotted 30,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of ₹44.25 per option and 5,000 shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 26th September 2014 at grant price of ₹138.70 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 1st February 2016 for 5,000 shares and 15th February 2016 for 30,000 shares. The paid up share capital of the Company after allotment of 35,000 equity shares stands at 10,395,000 Equity Shares as of 31st March 2016

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & its Subsidiaries 300,000 options on 25th May 2015 at a grant price of ₹151.70/-.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding at the beginning of the year	250,000	305,000
Options granted during the year	300,000	150,000
Options exercised during the year	(35,000)	(125,000)
Options forfeited during the year	-	-
Options lapsed during the year	-	(80,000)
Options outstanding at the end of the year	515,000	250,000

Note 22 Additional notes (contd.)

g. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Earnings		
Net profit for the year	184.67	167.05
Shares		
Equity shares as at the balance sheet date	10,395,000	10,360,000
Less: Shares held by Saksoft employees welfare trust	542,460	554,960
Total number of equity shares the end of the year – Basic	9,852,540	9,805,040
Weighted average number of equity shares outstanding as at the end of the year – Basic	98,13,783	9,757,588
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year.	98,13,783	9,757,588
Add: Weighted average number of Shares held by Saksoft employees welfare trust	552,228	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	166,687	151,872
Weighted average number of equity shares outstanding during the year – Diluted	10,532,698	10,464,420
Earnings per share of par value ₹10 – Basic (₹)	18.82	17.12
Earnings per share of par value ₹10 – Diluted (₹)	17.53	15.96

h. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company there is no amount outstanding as on 31.03.2016. There are no overdue principle amounts and therefore no interest is paid or payable.

Note 22 Additional notes (contd.)

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

Name of Entity	Net Assets ie Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent: Saksoft Limited	49%	643.71	40.82%	75.37
Subsidiaries				
Indian				
1. ThreeSixty Logica Testing Services Pvt Ltd and its subsidiary	3%	37.30	18.64%	34.43
Foreign				
1. Saksoft Inc and its subsidiary	11%	151.57	24.75%	45.71
2. Saksoft Pte	4%	49.28	5.61%	10.37
3. Saksoft GmbH		0	0%	0
4. Saksoft Solutions Ltd and its subsidiaries	33%	439.40	10.18%	18.79
5. Saksoft FR SARL	0%	0	0%	0
Minority Interest in all Subsidiaries				
1. ThreeSixtyLogica Testing Services Pvt Ltd and its subsidiary		28.61		33.08

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

Vide our report of even date attached

For Suri & Co
Chartered Accountants
Firm Registration No: 0042835

S. Ganesan
Partner
Membership No: 018525
Date: May 27, 2016
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

R. Rajagopalan
Director

Niraj Kumar Ganeriwal
Chief Financial Officer

B. Vivekanandan
Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part-A: Subsidiaries

(All amounts in Rupees millions)

S.No.		1	2	3	4	5	6
1	Name of the Subsidiary	Saksoft Inc & Its Subsidiary	Saksoft Pte Ltd	Saksoft GmbH	Saksoft Solutions Ltd and Its Subsidiaries	Saksoft FR SARL	ThreeSixty Logica Testing Services Pvt Ltd & Its Subsidiary
2	Reporting Period for the Subsidiary	1st April - 31st March	1st April - 31st March	1st April - 31st March	1st April - 31st March	1st April - 31st March	1st April - 31st March
3	Reporting Currency and exchange rate as on the last date of the relevant Financial year	USD , Ex Rate 66.10/ USD	SGD, Ex Rate 49.02/ SGD	Euros, Ex Rate 75.06 /Euro	GBP, Ex Rate 94.97/ GBP	Euros, Ex Rate 75.06 /Euro	INR
4	Share Capital	INR 9.24 m-195000 equity shares of USD 1 each fully paid up	INR 19.17m- 555002 equity shares of SGD 1 each fully paid up	INR 3.01m-50000 equity shares of Euros 1 each fully paid up	INR 434.45m- 5001000 equity shares of GBP 1 each fully paid up: INR 97.89-1126015 5% Cumulative Redeemable Preference Shares of GBP 1 each fully paid up	INR 4.26m - 50000 equity shares of Euros 1 each fully paid up	INR 0.10m - 10000 equity shares of INR 10 each fully paid up
5	Reserves & Surplus	53.37	49.28	0	439.15	0	58.35
6	Total Assets	365.89	71.17	0	1318.82	4.26	138.44
7	Total Liabilities	303.28	2.72	0	347.32	0	79.99
8	Investments	0	0		0	0	0
9	Turnover	1145.34	80.39	0	798.39	0	296.78
10	Profit Before Taxation	81.17	11.67	0	22.47	0	99.18
11	Provision for Taxation	35.46	1.3	0	3.38	0	31.67
12	Profit After Taxation	45.71	10.37	0	19.09	0	67.51
13	Interim Dividend + Tax	9.8					48.14
14	Proposed Dividend	0	0	0	0	0	0
15	% of Shareholding	100	100	100	100	100	51

Notes

Subsidiaries which are yet to commence operations: None

Subsidiaries which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

Aditya Krishna
Chairman & Managing Director

Niraj Kumar Ganeriwal
Chief Financial Officer

R. Rajagopalan
Director

B. Vivekanandan
Company Secretary

Date: May 27, 2016

Place: Chennai



Saksoft Limited

CIN: L72200TN1999PLC054429

Registered Office: SP Infocity II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096

Email id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in

Website: www.saksoft.com; Phone : 044-24543500; Fax: 044-24543510

Notice to the Shareholders

NOTICE is hereby given that the Seventeenth Annual General Meeting (AGM) of the members of the Company will be held on Friday, the 12th day of August, 2016 at 10.00 A.M at P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

Ordinary Business:

- To receive, consider and adopt the audited Standalone and consolidated Financial Statements of the Company and Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor for the year ended March 31, 2016 by passing the following as an ordinary resolution:**

“RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2016 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.”

- To declare dividend by passing the following as an Ordinary resolution:**

“RESOLVED THAT pursuant to the recommendation of the Board of Directors a dividend of ₹3.00/- per equity share (30%) of ₹10/- each be and is hereby declared out of the profits for the year ended 31st March, 2016 and the same be paid;

- in respect of shares held in physical form, to those members whose names appear on the register of members on 12th August, 2016
- in respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository limited (NSDL) and Central Depository services (India)

limited(CDSL), the depositories as at close of business hours on 04th August, 2016.”

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

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

- To ratify the appointment of auditors of the Company and fix their remuneration by passing the following resolution as an ordinary resolution:**

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on September 26, 2014, the appointment of M/s. Suri & Co., Chartered Accountants (Firm Registration No. 004283S), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

Special Business:

5. **Appointment of Mr. V.V.R. Babu 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, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. V.V.R. Babu (holding DIN 07234186), in respect

of whom the Company has received a notice in writing from a member proposing his appointment, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years from 27th May, 2016 to 26th, May 2021.”

By order of the Board of Directors
For **Saksoft Limited**

Date: 27th May, 2016
Place: Chennai

Vivekanandan Babu
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special business to be transacted at the AGM is given as “Annexure-1”. Notice has been received under Section 160 of the Companies Act, 2013 with regard to the appointment of Director proposed under item no.5.
2. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume/details of the Directors being appointed, re-appointed are given in “Annexure 2”
3. **Proxy**
 - 3.1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGREEGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
 - 3.2 **PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY VIZ. CAMEO CORPORATE SERVICES LIMITED , “SUBRAMANIAM BUILDING” NO.1, CLUB HOUSE ROAD, CHENNAI 600 002 AT LEAST FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.**
 - 3.3 **PROXIES SUBMITTED ON BEHALF OF COMPANIES, TRUST/ SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE**

RESOLUTION/AUTHORITY AS APPLICABLE. THE PROXY HOLDER SHALL PROVE HIS/HER IDENTITY AT THE TIME OF ATTENDING THE MEETING.

- 3.4 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/Proxies/authorized representatives should bring the duly filled Attendance slip enclosed herewith to attend the meeting.
5. **Voting through electronic means**
 - 5.1 In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing obligations and disclosure requirements) Regulation, 2015 (“LODR”), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
 - 5.2 **The detailed process and manner for e-voting by electronic means is furnished as Annexure-3 to the Notice.**
 - 5.3 The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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

5.5 The remote e-voting period commences on 09th August, 2016 (9:00 am) and ends on 11th August, 2016 (5:00pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 05th August, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5.6 The cut off date is 05th August, 2016 as on which the right of the voting of members shall be reckoned and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

6. Voting Results

- 6.1 Mr. V. Suresh, Practising Company Secretary, (CP No.6032) has been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 6.2 The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 6.3 The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 6.4 The Voting results will be submitted to The National Stock Exchange of India(NSE) and BSE Limited(BSE) within 48 hours of conclusion of the AGM in the format specified by SEBI.
- 6.5 The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.saksoft.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing.
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will

remain closed from 05th August, 2016 to 12th August, 2016 (both days inclusive) in connection with AGM & payment of dividend.

8. Members holding Shares in electronic form may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective depositories to the company will be printed on the dividend warrants issued from time to time. The company/ the Registrar will not entertain any direct request from members for deletion of or change in such bank details. It may please be noted that, dividend instructions, if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions directly to their Depository Participants regarding bank accounts for crediting the dividend.
9. Members are requested to address all correspondence, including dividend- related correspondence, to the Registrar and Share transfer agent, Cameo Corporate Services Limited, “Subramanian Building” No.1, Club House Road, Chennai 600 002 or through email : investor@cameoindia.com
10. Members holding shares in physical form are requested to immediately notify change in their address to the Company’s Share Transfer Agents, Cameo Corporate Services Limited, “Subramanian Building” No.1, Club House Road, Chennai 600 002 and those who wish to receive dividend in electronic mode are requested to forward a specimen cheque leaf duly marked as such to Registrar at the above address.
11. Under Section 205A of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has accordingly transferred ₹5,812 (Rupees five thousand and eight hundred and twelve only) being the unpaid and unclaimed dividend amount pertaining to the year 2007-08 to IEPF on 13th November, 2015. As per the above regulations no claim shall lie against the Company or the IEPF in relation to the amount remitted to IEPF.

The details of unpaid dividend relating to the years 2008-09 to 2013-14 as on 10th September, 2015 being the date of the last AGM is available on the website of the Company <http://www.saksoft.com/company/investor-relations/>

Dividend for the year 2008-09 remaining unclaimed and unpaid will be transferred to IEPF during the end of month of August or in the first week of September 2016. Shareholders who are yet

to encash their dividend warrants are required to contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited at an early date and lodge their claims. Since the corresponding provisions of the Companies Act, 2013 have not been notified till date, the transfer will be made under section 205A of the Companies Act, 1956 and accordingly no claims shall lie against the fund or the Company and it will not be possible for the Shareholders to make any further claims in this regard after the said transfer, unless the new provisions are notified prior to the transfer. Any unclaimed/unpaid dividend amount shall be paid only on receipt of a valid request in this regard and the satisfactory compliance of the requisite procedure, as prescribed by Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.

12. Member(s) must quote their Folio number/DP ID & Client ID and contact details such as email address, contact no. etc., in all correspondences with the Company / Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. Pursuant to the Provisions of Section 72 of the Companies Act, 2013 the Member(s) holding shares in Physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's

Registrars and Transfer Agents, Cameo Corporate Services Limited for consolidation into a single folio.

17. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2016 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to complianceofficer@saksoft.co.in or investor@cameoindia.com. Accordingly, the Company shall update its database by incorporating/ updating the designated e-mail addresses in its records. Please note that the said documents will also be uploaded on the website of the Company at www.saksoft.com and made available for inspection at the Registered Office of the Company during business hours of the Company.
18. For members who have not registered their email addresses, Physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
19. Guidelines for attending the Seventeenth Annual General meeting (AGM) of the Company.
 - a) Members/ proxies are requested to affix their signature at the space provided in the attendance slip and handover the same at the entrance of the venue of the Seventeenth AGM.
 - b) Corporate Member(s) intending to send their authorized representatives to attend are requested to send a certified copy of Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
 - c) Member(s) are requested to bring the copy/notes of the Annual report to the AGM.
 - d) The identity/signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the Depository Participant (DP ID), account number (Client ID) and the relevant identity card to the AGM for easier identification and recording of attendance at the AGM.
 - e) Shareholder seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the management to reply.

20. All documents as mentioned in the resolutions and/or Explanatory Statement including Auditors' Report and Secretarial Auditors' report are available for inspection by the Members at the Registered Office of the Company from 10.00 AM to 12.00 noon on any working day and will also be made available at the venue of the Seventeenth AGM.
21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

22. The Register of contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
23. Any Member(s) who require any special assistance of any kind at the venue of the Seventeenth AGM are requested to send details of their special needs in writing to the Company at least three days before the date of the Seventeenth AGM.

"ANNEXURE 1"

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

Item No. 5

The Board of Directors appointed Mr. V.V.R. Babu as an Independent Director in the Board Meeting dated 27th May, 2016.

Mr. V.V.R. Babu (DIN: 07234186) was appointed as an Additional Director of the Company at the Board Meeting held on 27th May, 2016. As per Section 150 of the Companies Act, 2013, the appointment is required to be approved by the shareholders and hence the same is placed for consideration at the AGM. In terms of the relevant provisions of the Act, Mr. V.V.R. Babu will not be liable to retirement by rotation. Brief profile of Mr. V.V.R. Babu is given in the Annexure. Mr. V.V.R. Babu complies with the criteria

for Independent Director specified under Section 149 (6) of the Act and LODR. Considering his qualification, experience, stature and standing he is qualified to be appointed as the Independent Director of the Company and his association and guidance will be of great value to the Company. The Board recommends the resolutions for the consideration of the Members. Except, Mr. V.V.R. Babu, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 5. This Explanatory Statement together with the Directors profile may also be regarded as a disclosure under LODR and secretarial standards.

"ANNEXURE 2"

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

Ms. Kanika Krishna

DIN: 06954593

Ms. Kanika Krishna, aged 28 years, has an MBA in Financial Management from Pace University, New York, USA. Prior to this she has completed the Master's program in International Business from the Manchester Business School, UK. She is also an alumna of Stella Maris College, Chennai where she completed her Bachelor of commerce degree. Ms. Kanika Krishna joined Sak Abrasives Limited in 2012 and is responsible for the company's growth in new markets and new areas. In the short time that she has been with the company, Kanika has grown the export business multi fold with focus on the UK and US markets. She has appointed manufacturer representatives

and distributors in these markets to sell the company's products and established a fully stocked warehouse for the company's products in New Jersey, USA. She has demonstrated a quick understanding of the business and good leadership in her role with the Company. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.

Ms. Kanika Krishna is the daughter of Mr. Aditya Krishna, Promoter and Managing Director of the Company. Ms. Kanika does not hold any shares in the Company. Ms. Kanika is not holding Directorship in any other Company. She is a member of CSR Committee of Saksoft Limited.

Mr. V.V.R. BABU

DIN: 07234186

Mr. V.V.R. Babu, aged 61 years, has Master of Science (M.Sc. Tech), Applied Mathematics and Operations Research from National Institute of Technology Warangal, Master of Philosophy (M.Phil.), Computer Science from Central University of Hyderabad, Executive Development Program, Business Administration and Management from Harvard Business School. Mr. Babu has over 36 years of experience in the ITC Group. He held several strategic positions and was one of the key founder member of ITC Infotech India Limited (a 100% subsidiary of ITC Limited). In the last 15 years he held the positions of Senior Vice President and member of Management Committee of ITC Infotech and Chief Information Officer (CIO) of the ITC Group. Mr. Babu has also held several leadership positions in the

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

Mr. Babu is not related to any of the Directors of the Company and does not hold any shares in the Company. Mr. Babu is a Director in GS Farm Taaza Produce Private Limited. He does not hold Directorship/Committee membership in any other entity.

ANNEXURE-3

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

1. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "SAKSOFT LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vsscruinizer@gmail.com with a copy marked to evoting@nsdl.co.in
2. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) USER ID
PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222- 990.
4. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
5. The Members can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 05th August, 2016.
7. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and

holding shares as of the cut-off date i.e. 05th August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@cameoindia.com

8. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
9. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
10. Mr. Vivekanandan Babu, Company Secretary of the Company will be the person responsible to address the grievances connected with the voting by electronic means. His contact particulars are as follows: email id complianceofficer@saksoft.co.in; Ph : +91-44-2454 3500 or write to the company's registered office address.



Saksoft Limited

CIN: L72200TN1999PLC054429

Registered Office: SP Infocity II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096

Email id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in

Website: www.saksoft.com; Phone : 044-24543500; Fax: 044-24543510

Attendance slip

17th Annual General Meeting to be held on Friday, 12th August, 2016 at 10:00 AM

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

Mr./Mrs./Miss

Address

Folio No. (Physical holding) DP ID (Demat holding) Client ID

No. of shares held

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

I/We hereby record my/our presence at the 17th Annual General Meeting (AGM) of the Company on Friday, 12th August, 2016, at 10:00 A.M P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017 any adjournment thereof.

[Signature of Shareholders/Proxy(s)]



Notes:

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



Saksoft Limited

CIN: L72200TN1999PLC054429

Registered Office: SP Infocity II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096

Email id: complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in

Website: www.saksoft.com; Phone : 044-24543500; Fax: 044-24543510

Proxy Form

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

Name of the Member (s)

Registered Address

E-mail ID

Folio No./ Client Id & DP. ID

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

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

as my/ our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Friday, the 12th August, 2016 at 10:00 AM** at P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	Assent	Dissent
1	Adoption of financial statements		
2	Declaration of Dividend		
3	Re-appointment of retiring Director - Ms. Kanika Krishna		
4	Ratification of the appointment of Statutory Auditors		
5	Appoint Independent Director – Mr. V.V.R. Babu		

Signed this _____ day of _____ 2016.

Signature of shareholder(s)

Signature of Proxy holder(s)

Re.1
Revenue
stamp

Notes:

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

Route map of the AGM venue

