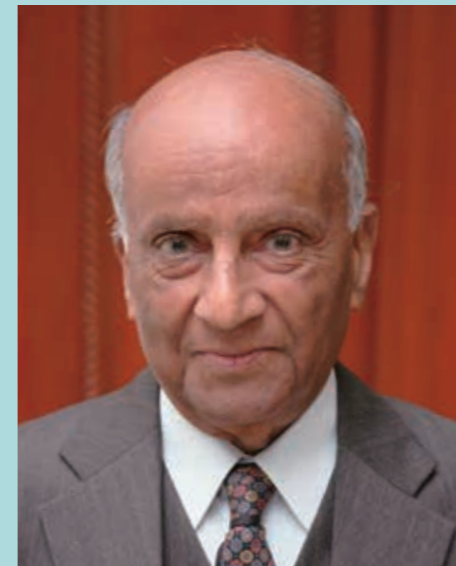




Saksoft. India's leading...

Saksoft Limited | Annual report 2014-15

Tribute to our late Chairman



Mr Autar Krishna
8 September 1931 – 4 July 2015

Mr. Autar Krishna was the founder promoter of Sak Group of Companies.

Mr. Krishna, an entrepreneur, set up the Sak Group through sheer grit and determination. Today, the companies he has founded have marked their strong presence across multiple sectors and industries.

Mr. Krishna, along with his son Aditya Krishna, founded Saksoft in 1999. Today, Saksoft has emerged among the top mid-tier, listed information technology companies in India. The company has garnered a reputation globally as one of the top go-to-companies for high end business intelligence and information management services and consulting.

Mr. Autar Krishna's vision and business acumen will continue to be our guiding light as we grow and achieve his dreams and visions for the company and pursue corporate excellence.

... information management
and business intelligence
enterprise!



Corporate Information

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Board of Directors

Chairman (Non-Executive)

Autar Krishna

[Deceased on 04th July, 2015]

Independent Non-Executive Directors

R. Rajagopalan

Amitava Mukherjee

Ajit Thomas

Managing Director

Aditya Krishna

Non-Executive Director

Kanika Krishna

Executive Committee

Managing Director

Aditya Krishna

Chief Financial Officer

Niraj Kumar Ganeriwal

Global Head of HR

Annu Thomas

Executive Vice President & Global Delivery Head

Dhiraj Mangla

Senior Vice President and Head - Europe

Amit Chatterjee

Vice President of APAC sales

Bhaskar Narayanan

Senior Vice President and Business Head - US

Ramanan Madhu

Director - 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: 91-44-24543501

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 2462 175,

Fax : + 91 120 2462 179

Noida

ThreeSixtyLogica Testing Services Pvt Ltd

H-50, Sector-63, Noida-201301

P: +91 120 487 8300

Manchester

Waterside Court,

1 Crewe Road,

Manchester, M23 9BE.

Phone: +44 870 789 4321

Fax : +44-870 789 4002

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 2014-15.

The Saksoft dashboard



Positioning

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

Industry prospects

The company belongs to an industry that is expected to grow multifold. This growth is expected to be derived from mid- and mid-to-large customers looking to harness the power of information management, enterprise integration, testing and analytics with the objective to strengthen the business.

Sustainability

Saksoft has remained profitable and dividend-paying since inception. The company's revenues and profits have grown at a 22% and 35% CAGR respectively in the years leading from 2010-11 to 2014-15.

Integrated

The company provides integrated solutions (following the acquisition of Acuma Solutions Ltd in 2006 and Three Sixty Logica Testing Services Pvt Ltd in end 2014) across multiple verticals, customers and geographies.

Presence

The Company is present across a range of sectors (banking, financial services, public sector; travel/ tourism, manufacturing, retail, telecom, logistics and distribution).

Employee base; gender diversity

The group's headcount stood at 685 as on 31 March 2015; the ratio of men-women employees stood at 4:1 (as on 31 March 2015)

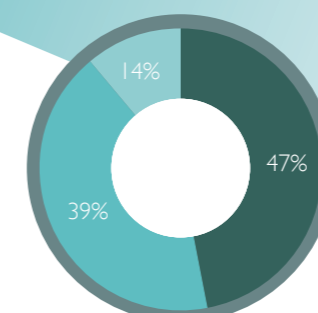
Listing and market capitalization

Saksoft is listed on the NSE (code: SAKSOFT) and BSE under permitted trading category (code: 590051); the Company's market capitalization was ₹1,423mn (31 March 2015).

Promoter experience

Mr. Aditya Krishna is the founder promoter of Saksoft Ltd and is at present the Managing Director of the Saksoft Group. Aditya served for many years in the banking and financial services industry, beginning with Chase Manhattan Bank and later with Citibank, New York. He relocated to India in 1990 as part of a four-member team to establish Citibank's Credit Card business in the country. Aditya founded Saksoft in 1999 and drives our global business development efforts and strategy, is responsible for the exponential growth of the company from a startup in 1999 to the IT services company it is today.

Sales footprint



- UK – 47% of revenues, 2014-15
- US – 39% of revenues, 2014-15
- ROW – 14% of revenues, 2014-15

Technology partners



The Managing Director's perspective



→ *Dear fellow shareholders,*
The robustness of a business model is appraised by the ability to report incremental revenues and profitable growth during challenging times.

In 2014-15, Saksoft reported a 3% increase in revenues to ₹2,314mn, even as net profit increased 12% to ₹167mn. We sustained our dividend payouts history and declared a 25% dividend for 2014-15.

What makes this performance even more creditable is that we achieved this growth with the same physical infrastructure, which indicates the responsiveness of our profitability to increase in revenues and the underlying robustness of the business model.

This performance indicates that we didn't just grow the size of our business during the year under review; we strengthened business quality as well. We didn't just respond to the challenges of the day; we strengthened the business to address the future.

Patience and foresight

The recent past has been marked by the emergence of technologies like Cloud computing and Analytics. A number of large customers began to evolve their technology platforms towards these emerging technologies.

At Saksoft, we are at the right place at the right time with the right competencies.

Saksoft invested patiently in its niche and has now emerged as a focused specialized service provider with top-of-the-line consulting and delivery capabilities. Saksoft possesses capabilities from problem identification to solution implementation. The result is that in the short span of a few years, Saksoft enjoys a go-to reputation for integrated, one-stop capabilities.

At Saksoft we believe in building capabilities an inch wide but a mile deep. In line with this conviction, we engaged in strategic and timely acquisitions. In October 2006, we acquired a 100% stake in the UK-based Acuma Group, an information management solutions firm almost our size. The buy-out was complementary; enabling us to combine Acuma's consulting competence with our global service delivery competence.

Besides, Saksoft made another strategic acquisition when it acquired a 51% share in Three SixtyLogica Testing Services Pvt Ltd in end-December 2014. This company

provides independent testing, services and QA consulting across multiple domains, businesses and technologies for US and UK clients. This acquisition addressed a key competence –testing – that will now make it possible for Saksoft to cross-sell and up-sell while retaining its niche specialness. What is creditable is Three Sixty Logica's full-fledged R&D set-up and 100-plus devices inventory, facilitating testing and simulation across platforms and operating systems.

We are optimistic that the acquisition of Three Sixty Logica will be margins-accretive for more reasons than technology competence. The acquisition was funded out of accruals and debt, protecting the integrity of the Balance Sheet and positioning the company attractively to sustainably enhance shareholder value.

Business transformation

Saksoft's acquisitions did not only seamlessly enhance synergies but also widened the customer base and geographic footprint. In addition to providing these companies with opportunities to enhance transaction value with a larger customer set (growing value over growing customer volumes), the company also possesses global infrastructure that enhances delivery flexibility.

Saksoft Group along with its UK subsidiary undertaking Saksoft Solutions Ltd and its flagship step down subsidiary Acuma Solutions Ltd were ranked 21st among the Top Indian companies in the UK as per Grant Thornton UK India Tracker 2015.



This transformation has not happened a day too soon. Saksoft's focus is to increasingly shift its business to a 'global delivery model' that makes it possible to drive a larger business pie offshore and open up the potential of enhancing margins. Having built complementary capabilities in resources, services and geographies, we are convincing customers to offshore a larger part of their work to attractive destinations like India, while being assured of work delivery as well as timelines through our front-end teams.

Outlook and the way forward

I am often asked to describe the potential of our business.

As per the IBM Big Data and Analytics Hub, over a 24-hour span there are 294 mn e-mails sent, a billion Google searches take place, 30+petabytes of user generated data is accessed, stored and analysed and 230 mn tweets are registered. The world of big data is changing dramatically right before our eyes – from the increase in big data

growth to the way in which it's structured and used. The trend of big data growth presents enormous challenges, but it also presents incredible business opportunities.

At Saksoft, we are India's leading information management and business intelligence enterprise, reinforcing customer competitiveness by providing complementary capabilities in data warehousing, information reporting, software testing and enterprise mobility solutions.

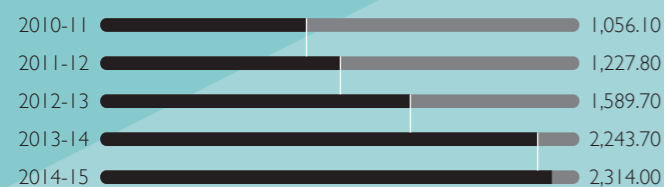
Having built cutting-edge competencies and capabilities, we are optimistic of business growth and enhancing value for our stakeholders.

Aditya Krishna,
Managing Director



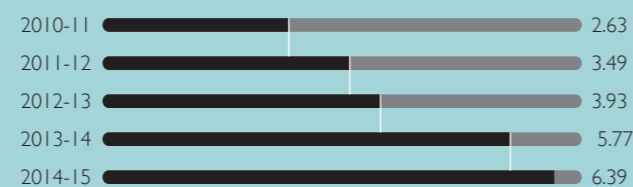
Solidity of the past. Excitement of the future.

Turnover (₹ mn)

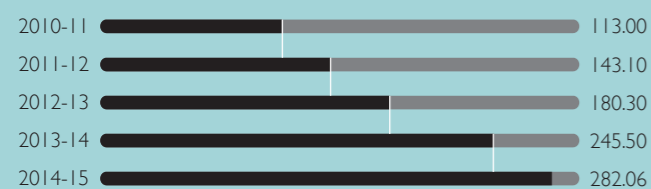


CAGR of 22%

Interest cover (x)

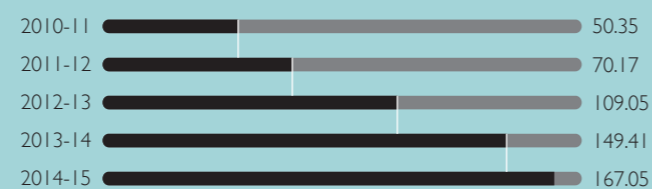


EBIDTA (₹ mn)



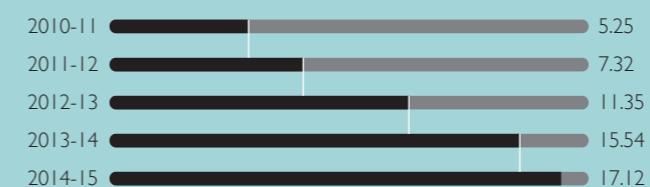
CAGR of 26%

Net profit (₹ mn)



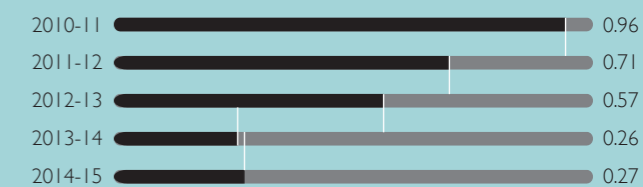
CAGR of 35%

Earnings per share (₹)



CAGR of 34%

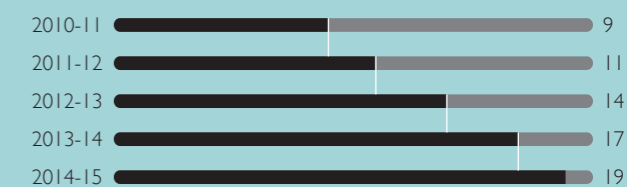
Debt-equity ratio (x)



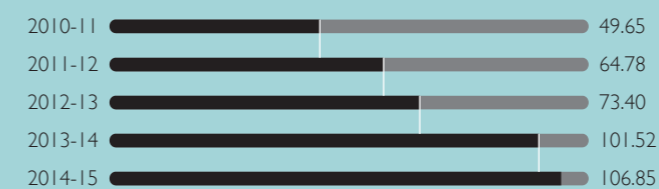
Dividend (%)



RoCE (%)



Book value per share (₹)



Based on consolidated financials

RoE (%)





8 reasons why one should take notice of Saksoft

Business integration enhances our ability to cross-sell and up-sell proprietary products and services

Saksoft provides integrated solutions in the business intelligence and information management spaces. This makes it possible for us to engage with the customer deeply, resulting in upsell and cross-sell opportunities in the application development and testing spaces.

Saksoft is transforming its business model

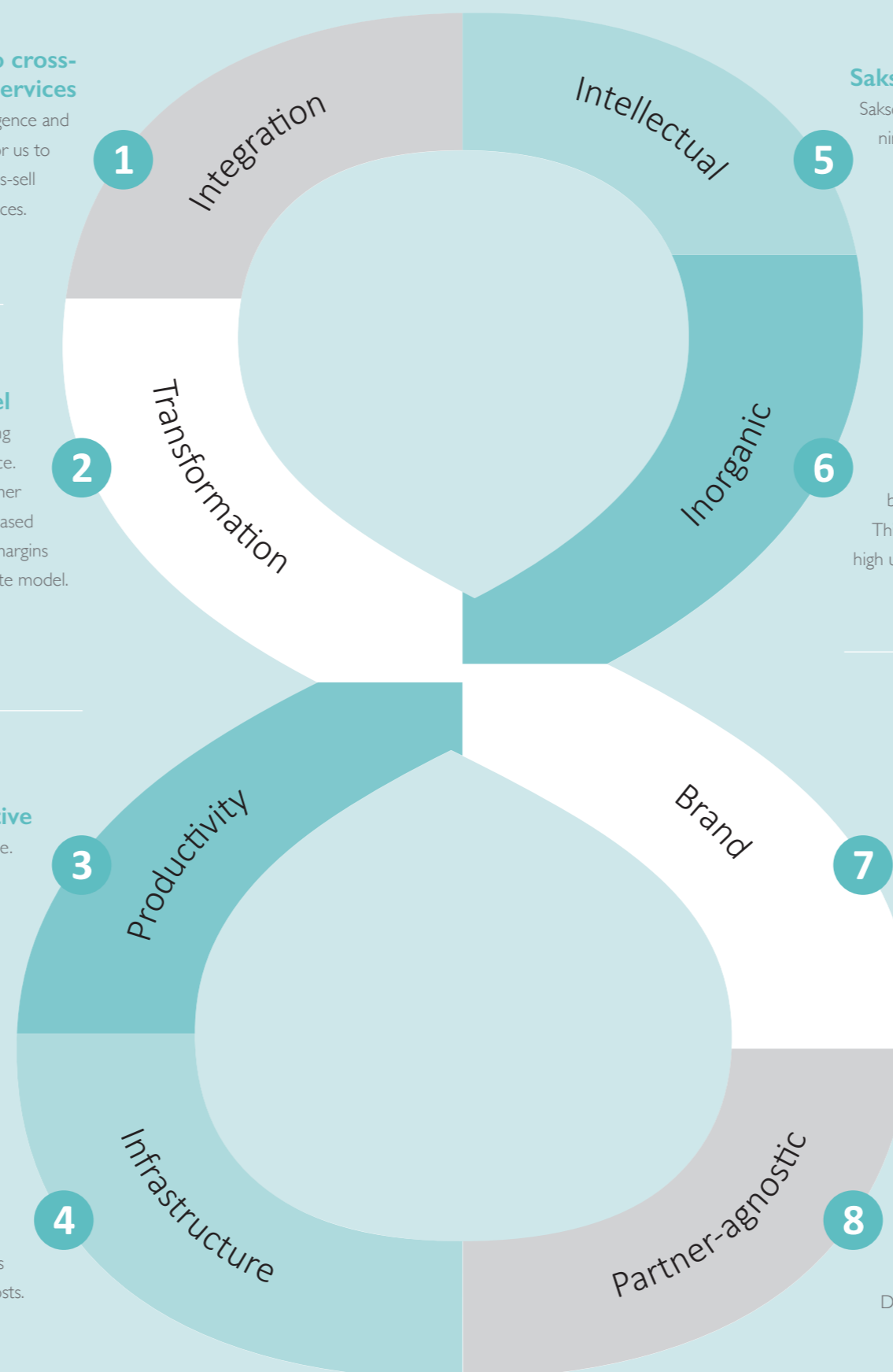
Saksoft is graduating towards a global delivery model, leveraging experienced resources and a multi-locational global presence. This graduation will enable the company to enhance its customer value proposition and enrich earnings quality. An increased offshoring will enable the company to significantly enhance margins over the onsite model.

Saksoft is engaged and productive

Saksoft employs a productive, focused and professional workforce. A transparent and entrepreneurial environment has helped moderate attrition to almost half the industry level. A right-sized bench makes it possible to ramp operations with speed.

Saksoft enjoys attractive operating leverage on account of untapped infrastructure

Saksoft's 50-seat Manchester centre and 650-seat India facilities (Chennai and Noida) were 60% utilized. This provides the company with attractive head room to scale operations without enhancing infrastructure costs.



Saksoft retained its core intellectual capital

Saksoft's senior management has been with the company for more than nine years (average). The senior management possesses a cumulative 200 person-years of experience (strategy, technology, sales and marketing, administration, finance and operations).

Saksoft grew inorganically without straining its Balance Sheet

Saksoft invested nearly ₹ 1,000mn in strategic acquisitions over the past decade. And yet the company closed 2014-15 with a comfortable debt-equity ratio of 0.27, attractive cash and bank balances of ₹ 152.78mn, and having open and unutilized credit lines. This financial comfort was achieved through prudent deal negotiation, high use of accruals and timely promoter funding.

Saksoft's brand is strong

Saksoft is a niche player with a large growing clientele. A high customer confidence was reflected in almost 53% of revenues being derived from customers working with the company for five years or more.

Saksoft is partner-agnostic

Saksoft is partner-agnostic, which makes it possible to select the most suitable partner in line with customer needs. The company forged several partnerships to enhance offerings, provide multiple platforms (licensed, open source or pay-per-use) and enhance customer flexibility. The company also deploys a range of proprietary products (Verisens, Acusend, Prima and Dedupe, among others).



“Highlight of the year was the acquisition of Three Sixty Logica, a testing company.”

Discussion with the management

Q What really makes Saksoft relevant in today's world?

A While managing data remains critical for growing companies, analyzing it and building actionable insights has emerged critical to competitiveness in a fast-changing business environment. Our information management and business intelligence competence is complemented with capabilities in application development and software testing. This combination makes it possible for us to grow clients and win new accounts. It would be relevant to indicate that our account management builds value and trust with clients that cannot just be derived from offering solutions but also in being able to resolve them in a timely and cost-effective manner.

Q What were some highlights of the company's working last year?

A It was the acquisition in end December 2014 of a 51% stake in Three Sixty Logica Testing Services, an independent testing company. Three Sixty Logica possesses the capability to develop test modules for diverse software products around client requirements; it offers

complete quality assurance services and software testing solutions.

Three Sixty Logica is headquartered in Noida with sales offices in California. The acquired company provides software product testing services across businesses, domains and technologies. The Company's software testing team comprises professionals from diverse backgrounds and sectoral experiences. Three Sixty Logica markets high-end software testing programs and test solutions to independent software vendors, software product companies and SMEs.

We are optimistic that following this acquisition, Saksoft will reinforce its position as a niche technology services provider with a focus on information management coupled with expertise in independent testing.

The other highlight was the establishment of the SAS Analytics near-shore facility for a large bank in India. This initiative will make it possible to deliver cost-effective solutions. Besides, Saksoft set up a 100% subsidiary in France to cater to the European market and grow its UK business.

Q What is the strength of the company's resources and infrastructure?

A Saksoft's 680-plus team is deployed in offices across US, UK, India and Singapore. In an industry that witnesses high churn levels for want of better opportunities and global postings, we have been able to control attrition by keeping our employees motivated, offering them global relocation opportunities and clear career roadmaps.

Q What differentiators strengthen Saksoft's competitive advantages over peers?

A There are a number of relevant differentiators. **One**, Saksoft possesses the capability to undertake end-to-end (data-to-decision) services in information management and business intelligence, making it a complete solution provider. **Two**, Saksoft possesses robust quality assurance practices, fortified with mobile testing with a real-time devices (100+) inventory. **Three**, Saksoft possess a strong expertise in application services leading to enduring client relationships.

Q What are some of our core strengths

A Saksoft is not a single-technology shop. The company has partnered multiple technology vendors to provide best-of-breed solutions. We bring to our clients' table more than a decade's rich experience in application development and maintenance. Moreover, the company's domain-specific frameworks and solution accelerators facilitate a quick turnaround. The company's strong quality assurance practice, with a specialty in mobile testing, is reinforced by a 100+ mobile device inventory and mobile testing simulators. Our agile process approach, quality adherence practices and managed services capabilities help customise services around client needs. Our offices are strategically proximate to key client locations, translating into long-term engagements.

Q How does Saksoft expect to extend partnerships into long-term business value?

A Saksoft is forging technology partnerships in the information management niche with specialized companies like Qlik Tech, Logi Analytics, Jaspersoft and SAP BO., among others. This is being done with the objective to cross-sell, upsell and collaborates in generating product and services revenues. This empowers the Company to widen its bouquet of offerings on the one hand and also enables the client to choose from a variety of products and services on the other.

Q What trends are shaping the digital world and how is the company addressing them?

A At Saksoft, we clearly see business intelligence/analytics moving from 'good to have' to 'analytics everywhere' in the next few years. With IOT (internet of things), big data, cloud and mobility emerging as disruptive technologies, business intelligence/analytics will start making in-roads into our daily lives. We are fairly optimistic that this will encourage businesses to embed analytics into their products.

In the business intelligence space, we partnered large incumbent players like SAP and new age discovery and visualization tools like Qlik, Jaspersoft and Logi Analytics (among others). This technology and product-agnostic approach will make it possible for Saksoft to emerge as a trusted client partner.

Besides, IT applications are moving from desktops to mobile devices following an explosion in mobile data traffic. Cisco estimates that mobile data is expected to grow 11x in four years - a mind-boggling 18 exabytes each month by 2018 (an exabyte is one billion gigabytes). Cisco also estimates that mobile data traffic will grow 61% annually into 2018; the incremental traffic from just one year (2017) is expected to be three times the entire mobile Internet traffic of 2013. Besides, the number of mobile users is expected to increase from 4.1 billion in 2013 to nearly five billion by 2018; the number of mobile-ready devices, including machine-to-machine connections, is

expected to increase from 7 billion in 2013 to more than 10 billion.

Besides, the sophistication of mobile devices is graduating well beyond smartphones, tablets and phablets. We are optimistic that this will require specialized testing/QA services on different smart devices and different versions. Saksoft's mobile QA lab possesses a competence of working with more than 100 smart devices, making it possible for customers to upgrade their IT applications and remain compatible with new devices and operating software versions.

Q How does the company intend to enhance shareholder value?

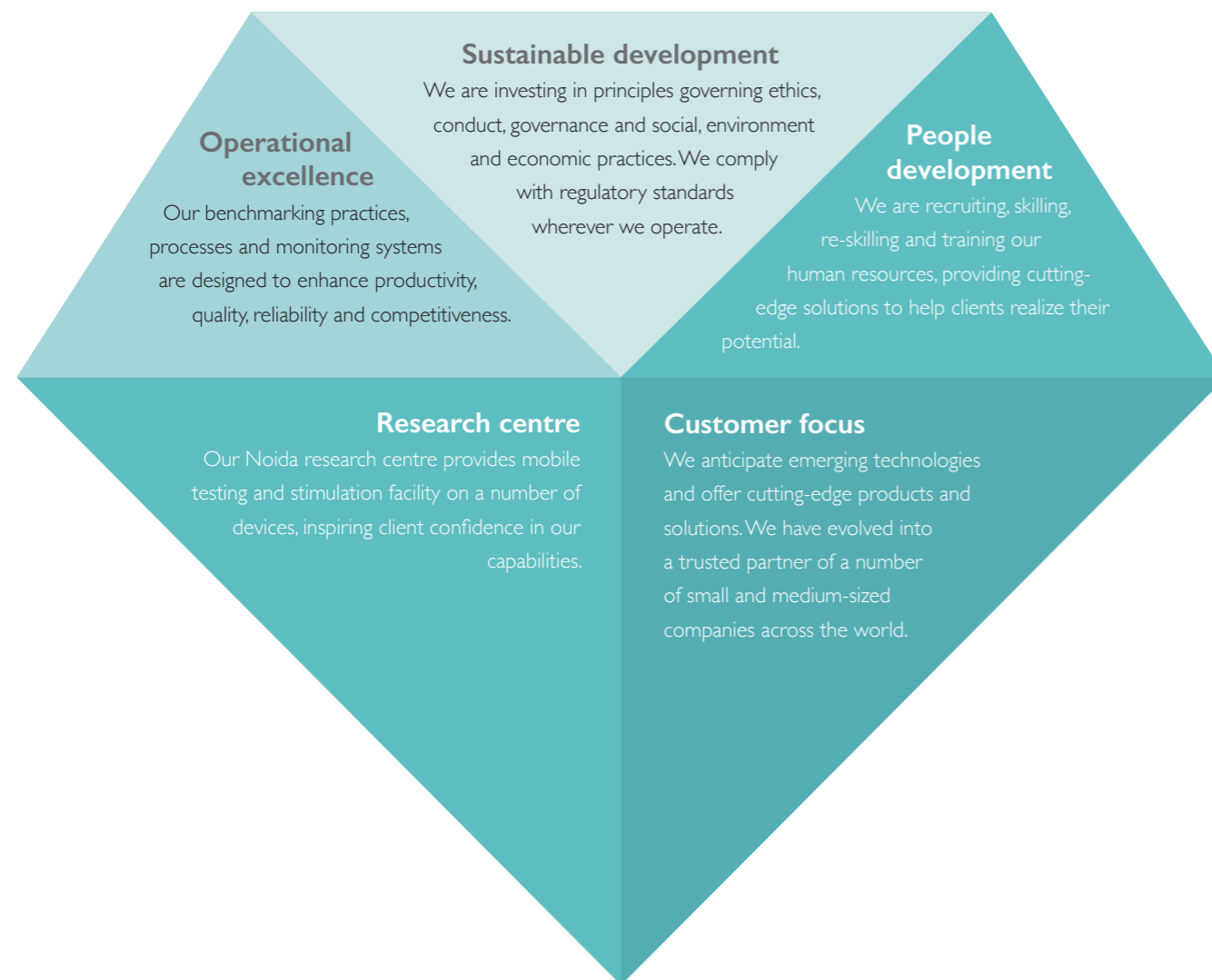
A We are optimistic of enhancing shareholder value by building a robust, scalable business. We expect to strike a balance between surplus re-investment and dividend distribution. We believe that increases in revenues and margins will reinforce shareholder value through dividend payout and capital appreciation. We declared ₹2.5 per share dividend for 2014-15, translating into an attractive payout of 25%.

Q What is your big picture vision across a five-year period?

A Our vision is to emerge as a preferred Information Management and Quality Assurance partner of successful companies around the world. We will continue to invest in our core offerings and build domain competence. We are growing our focus on the UK and US markets with the objective to emerge as a more valuable company.

Our operating framework

The Saksoft diamond, our operating framework, focuses on five elements that drive performance across all our business areas.



Our capacity, capability and competence – case study

Background

Saksoft's customer, one of the largest global financial institutions, is also the largest credit card issuer in the world. Saksoft manages the operations of the client's credit card business in 42 countries (Asia, Europe, Australia and Latin America) from the International Card Centre situated in Singapore and operational systems spread across multiple datacenters (Asia and Europe).

Problem analysis

The credit cards business uses either VisionPlus or CardPac to run its business with several customer-specific enhancements and add-on sub-systems. For example, the credit card businesses in Latin America and Europe runs on the VisionPlus system, where using the Query Management Facility package, users extract information from mainframe systems. The bank felt the need to build a solution with the following capabilities:

- Integrating information from 42 different countries that have multiple card products and currencies to meet the reporting needs of senior executives across the four regions – Asia, Europe, Latin America and Australia

- A robust architecture that can hold and process a 20 mn card base and provide MIS within four hours (from the time of a receipt of the feeds)
- 24x7 availability of MIS with drill-down and 'peel the onion' features
- Web-enabling report generation and dissemination
- Application system that is scalable, flexible and adaptable across countries

Solution

Saksoft Business Consulting Group studied the system followed by meetings at the Card Centre in Singapore. The result was a feed extracts finalization and common feed structure to cater to VisionPlus and CardPac systems. Saksoft's technical team engaged in a series of interactions with ICC technical teams and proposed an MIS application built on a warehouse possessing major components, each designed for specific jobs:

- File transmission from various operational and other systems
- Conversion tool to convert the EBCDIC feed files into ASCII feeds
- Transformation and loading (Sak DCOL) tool

- Comprehensive DB architecture
- Internal/ external component-based process engine
- Web/ application server with reusable components
- Web-based query tool
- Standardized, predefined information for reports

Technology

The technical architecture comprised Java™ /HTML at the front-end, PL/SQL as back-end data processing tool and Java Beans and IBM Web Sphere™ as middleware. The MIS system was hosted on Oracle™ 9i on a Sun Enterprise server with Solaris™ operating system.

Result

The Saksoft solution, developed in less than six months, was implemented across more than 40 countries. The solution provides senior management - globally, regionally and locally - with information across performance metrics with drill-downs across geographies, time and products. The application has reduced the 'wait' for key information across several countries.



Framework of business controls

Our business exposes us to strategic, credit, liquidity, compliance, operational and reputational risks. We manage these risks with the objective to maximize our long-term performance through the integrity of resources, infrastructure and earnings quality.

Strategic risks



Strategic risks result from adverse business decisions, inappropriate business plans or a failure to respond to environment changes, business cycles, customer preferences, product obsolescence, regulatory environment, business strategy execution and/or other inherent risks of the business including reputational risk.

Mitigation measures

At Saksoft, we manage these risks by working close to customers that makes us a partner of choice. We engage in a continuous dialogue with customers through project teams to proactively recognize their challenges and provide cost-effective solutions. Our partner-neutral approach makes it possible to

provide best-fit client solutions. We engage in creative pricing (outcome-based and reward pricing) while managing higher utilization levels and lower average delivery costs. Going forward, we will invest in sales and marketing competencies with more 'boots on the ground' in major geographies like US and UK.

Credit risks



Credit risk is the risk of loss arising from a customer's inability to meet their financial obligations.

Mitigation measures

At Saksoft, our ability to forge robust client relationships as well as our competence to benchmark our offerings with pre-commitments has enabled us to hold an active client portfolio with very

little chance of slippages. Hence, while our debtor cycle has improved to 80 days over the past two years, allowance for doubtful debts (beyond six months) as a percentage of total outstanding stands at a miniscule 0.40%.

Liquidity risks



Liquidity risk is the inability to meet contractual and contingent financial obligations when they become due.

Mitigation measures

At Saksoft, we have never defaulted in our interest or principal payment obligations. We are engaged in the judicious and prudent use of cash flows, appropriated between repaying financial

obligations, reinvestments and dividend disbursements. Besides, our cash and bank balances of ₹152.78mn and unutilized credit lines provide adequate liquidity and resources for acquisitions, as at 31 March 2015.

Compliance risks



Compliance risk arises from a failure to adhere to laws, rules, regulations, policies and procedures.

Mitigation measures

At Saksoft, we are a global enterprise with almost 90% of our revenues derived from some of the most demanding customers headquartered in the US and UK. In our business, it is not just a good practice but imperative to comply with rules, norms,

compliances and policies as mandated by local and regional laws and regulations. We have not been censured by any customer at any time enhancing our credibility. We are a fair employer that embraces best work practices.

Operational risks



Operational risk is the result of inadequate or failed processes, people, systems or events.

Mitigation measures

Saksoft's robust controls and monitoring mechanisms ensure a benchmarking with delivery specifications and enhancing client competitiveness. We adhere with confidentiality clauses; our teams, managed by experienced leaders, have

been with us for at least three years, adhering to the highest confidentiality. The effectiveness of our controls is reflected in that we work with several prominent conglomerates operating in similar spaces, our transactional values increasing over the years.

Reputation risks



Reputational risk arises from negative publicity regarding an organization's conduct, affecting profitability, operations, customers or litigation.

Mitigation measures

At Saksoft, our ability to acquire and integrate enterprises, in some cases larger than our size, without any manpower or technology disruptions, has reinforced our

reputation. The company is not engaged in major litigation. We are perceived as a fair employer; reducing attrition and helping attract talent.

Board profile



1



2



3



4



5



6

1

Mr. Autar Krishna

(Deceased on 4th July 2015)

Chairman

Mr. Autar Krishna is the founder promoter of Saksoft Ltd, and promoted The Sak Industries Ltd (TSIL) in 1962. Mr. Autar Krishna and TSIL promoted Widia (India) Limited, a joint venture with Meturit A.G. Switzerland, a subsidiary of Friedrich Krupp GmbH, for which Mr. Krishna was the Chairman 1986 to 2002. He was the Chairman of Banarsidas Chandiwala Sewa Smarak Trust Society and the Chairman of the Audit Committee of India Glycols Limited. He also serves as Director of Sak Abrasives Limited and Sak Technologies Limited. Mr. Autar Krishna holds 200,120 Equity Shares of Saksoft Limited.

2

Mr. Aditya Krishna

Managing Director

Mr. Aditya Krishna, the Founder and the Managing Director of the Saksoft Group, spearheads Saksoft's growth across domains and geographies. He brings with him over 25 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 strategy and business development efforts.

3

Mr. R. Rajagopalan

Independent Non-Executive Director

Mr. Rajagopalan is a fellow of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. In a career spanning over 35 years, Mr. R. Rajagopalan has served on the Board of several companies in sectors like Financial Services, Textiles, Engineering and Software. He has authored a book on "Directors and Corporate Governance" in September 2003 which focused on wide range of Director's responsibilities towards Corporate Governance and functioning of Corporate Management. Mr. R. Rajagopalan also held prestigious positions such as the National President of the Institute of Company Secretaries of India in 1979-80, 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 also the Chairman of the Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company

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Mr. Amitava Mukherjee

Independent Non-Executive Director

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

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Mr. Ajit Thomas

Independent Non-Executive Director

Mr. Ajit Thomas is a renowned Industrialist, the promoter and chairman of AVT Natural Products Ltd. He is associated with AVT Group of Companies for about three decades and has extensive experience and expertise in business and management. He holds a Bachelor's degree in Statistics. He is also on the board of A.V. Thomas & company Limited, A.V. Thomas Investment & Co, Midland Corporate Advisory Services, AVT InfoTech Pvt Ltd and more.

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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. 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.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their sixteenth report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March 2015

Financial Results

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

	Standalone Results (₹ in mn)		Consolidated Results (₹ in mn)	
	Year ended 31st March 2015	Year ended 31st March 2014	Year ended 31st March 2015	Year ended 31st March 2014
Export Revenue	313.10	308.84	2100.48	2113.15
Domestic Revenue	152.95	130.55	213.52	130.55
Other Income	14.27	19.37	21.22	10.82
Total Income	480.32	458.76	2335.22	2254.52
Operating expenses	351.67	340.88	2053.16	2009.03
Operating Profits	128.65	117.88	282.06	245.49
Depreciation	11.09	13.96	12.96	16.31
Interest and Finance Charges	35.00	26.39	42.08	39.71
Net Profit before Tax	82.56	77.53	227.02	189.47
Current Tax	27.00	23.20	56.04	40.52
Deferred Tax	(1.66)	(0.46)	(2.75)	(0.46)
Net Profit after Tax	57.22	54.79	167.05	149.41
Profit brought forward	313.93	292.88	676.31	560.64
Available for Appropriation	370.66	347.67	842.87	710.05
Transfer to General Reserve	5.72	5.48	5.72	5.48
Dividend and Dividend Tax	31.32	28.26	31.32	28.26
Balance Carried forward	333.62	313.93	805.83	676.31

Results of Operations

Standalone Accounts

- Total income for the year 2014-15 was ₹480.32mn as against ₹458.76mn during the year 2013-14, registering an increase of 4.70%.
- Profit after tax was ₹57.22mn during the year 2014-15 as compared to ₹54.79mn during 2013-14, resulting a growth of 4.44%.
- Basic earnings per share was ₹5.86 for the financial year 2014-15 as compared to earnings per share of ₹5.70 for the financial year 2013-14.
- Operating and other expenses during the year were at ₹351.67mn as compared to ₹340.88mn in the previous year.

Consolidated Accounts

- Consolidated total income for the year 2014-15 was ₹2335.22mn as against ₹2254.52mn during the year 2013-14, registering a growth of 3.58%.
- Profit after taxes was ₹167.05mn during the year 2014-15 as compared to ₹149.41mn during 2013-14, a growth of 11.81%.
- Basic earnings per share was ₹17.12 for the financial year 2014-15 as compared to earnings per share of ₹15.54 for the financial year 2013-14.

Dividend

Based on Company's performance, the Directors are pleased to recommend for approval of the members a Final dividend of ₹2.50 per share (25% on the face value of ₹10) for the financial year 2014-15. The final dividend on the equity shares, if declared as above would involve an outflow of ₹25.90mn towards dividend and ₹5.42mn towards dividend tax, thereby resulting in total outflow of ₹31.32mn.

Share Capital

The paid up equity Capital as on March 31, 2015 was ₹103,600,000/-. During the year under review, the Board of Directors have allotted 125,000 equity shares consequent to the exercise of options by certain eligible employees under ESOP 2009 plan of the Company.

Transfer to Reserve

The Company proposes to transfer an amount of ₹5.72mn to the General reserves.

Business

Saksoft is the preferred partner to deliver Total Application Management solutions to our clients. We bring success to our

customers by providing end to end Information Management Services and robust framework and technologies to support their transition of data, Information and Intelligence at ease. Saksoft has extensive experience delivering Information Management solutions and have helped hundreds of public and private sector clients utilize their data to gain information. We have a tried, tested and trusted methodology which enables us to offer end-to-end Information Management services backed by our experience.

Saksoft have created the capability to deliver "continuous insight". Our proven approach and methodology have helped customers stay ahead in the competitive environment. Our analytical solutions have brought tremendous benefits to our Customers by improving their operational efficiency and bringing IT cost effectiveness.

Many Corporates have started focusing on analysis of data that are often disparate and complex so as to gain access to accurate, relevant and high quality information. The business have sensitized on the value of these data to obtain real time information on their growth and their positioning in the competitive market. It is in this space, Saksoft sees a tremendous opportunity and believes that analytics, Information Management (IM) and Testing will drive the business growth and profits in the years to come.

Apart from end to end Information Management Services, Saksoft also offers strategic consultancy and value driven strategic road map for solutions and service delivery at one end and services to support the ongoing use and exploitation of the delivered solution, including training, skill transfer and managed services at the other.

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

Saksoft Group along with its UK subsidiary undertaking Saksoft Solutions Ltd and its flagship step down subsidiary Acuma Solutions Ltd were ranked 21st among the Top Indian companies in the UK as per Grant Thornton UK India Tracker 2015

Saksoft's continued focus on Mobile application development has brought expertise in Mobile Application Development across various platforms such as iPhone Application Development, Android, Windows Mobile Application, Blackberry and all J2ME based devices. Saksoft is currently credited with developing the above applications. Our strong mobile development team has been driving force for this new initiative.

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.

Subsidiary Companies

The Company has 5 (Five) wholly owned subsidiaries and 4 (Four) step down subsidiaries as of 31st March, 2015.

Further during the year under review, Saksoft has acquired 51% of the share capital of M/s. ThreeSixty Logica Testing Services Private Limited (ThreeSixty), a Testing services company based out of Delhi. There are no associate Company within the meaning Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the Subsidiaries.

Subsidiaries of the company are engaged in the business of providing IT Services or business solutions or consulting services. There has been no material change in the nature of the business of the subsidiaries.

The Company's wholly owned subsidiary Saksoft Inc and its subsidiaries earned revenue of \$14.96mn (equivalent to ₹912.91mn) during financial year 2014-15 compared to \$14.46mn (equivalent to ₹874.13mn) during financial year 2013-14 registering a growth of 3.46% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc grew by 38% on consolidated basis and increased to \$0.51 mn equivalent to ₹30.91mn) during financial year 2014-15 compared to \$ 0.37mn (equivalent to ₹22.63mn) during financial year 2013-14.

The Company's wholly owned subsidiary Saksoft Pte Ltd earned revenue of S\$1.92mn (equivalent to ₹90.99mn) during financial year 2014-15 compared to S\$ 1.81mn (equivalent to ₹86.90mn) during financial year 2013-14 registering a growth of 6.07% in Sing dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd grew by 12.9% on consolidated basis and increased to S\$0.35mn equivalent to ₹16.59mn) during financial year 2014-15 compared to\$ 0.31mn (equivalent to ₹14.88mn) during financial year 2013-14.

The Company's wholly owned subsidiary Saksoft Solutions Ltd together with its subsidiaries earned revenue of GBP11.15mn (equivalent to ₹1097.27mn) during financial year 2014-15 compared to GBP 11.97mn (equivalent to ₹1151.04mn) during financial year 2013-14 registering a decline of 6.85% in Pound Sterling terms over the previous financial year. The profits of Saksoft Solutions Ltd before tax and amortisations declined by 21.9% on consolidated basis and decreased to GBP 0.57mn (equivalent to ₹56.09mn) during financial year 2014-15 compared to GBP 0.73mn (equivalent to ₹70.20mn) during financial year 2013-14.

The Company's subsidiary ThreeSixtyLogica Testing Services Pvt Ltd earned revenue of ₹275.58mn during financial year 2014-15 compared to ₹147.02mn during financial year 2013-14 registering a growth of 87.44% in rupee terms over the previous financial year. The profits before tax of ThreeSixtyLogica Testing Services Pvt Ltd grew by 161% on consolidated basis and increased to ₹75.60mn during financial year 2014-15 compared to ₹28.92mn during financial year 2013-14. Of the above the proportionate amounts pertaining to the quarter ending March 2015 have been used for consolidation purposes.

Saksoft GmbH and Saksoft FR, SARL wholly owned subsidiaries were not in operations during the year under review.

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/ unaudited 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.

Related Party Transactions

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. There are no materially significant related party transactions made by the company with promoter; Key managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the companies Act, 2013, in the prescribed FORM AOC 2, is annexed to this report as “Annexure 1”.

The policy on related party transactions and material subsidiary as approved by the Board of Directors are available on the company's website. [http://www.saksoft.com/PDF/Related_Party_Transactions_Policy_Saksoft_Limited.pdf]

Particulars of Loans, Guarantees or Investments

During the year under review, the Company has given a guarantee to a bank to the extent of US\$ 2mn for the facility obtained by its subsidiary Saksoft Inc, to meet its operational requirements. During the year the Company has acquired 51% stake in ThreeSixty Logica Testing Services Pvt. Ltd. as detailed in this annual report.

Fixed Deposits

We have not accepted any fixed deposits and, as such, no amount of Principal or interest was outstanding as of the Balance sheet date.

Material Changes after 31st March, 2015

There have been no material changes and commitments between 31st March 2015 and the date of this report having an adverse bearing on the financial position of the Company.

Delivery Centre

Saksoft has three global delivery centres at Chennai, Noida in India and Manchester at UK. Between them, they use more than 65000 sq. ft. of development space and have a seating capacity of 700+ people. Our Manchester Centre supports our UK customers with tools and application support. The Centre is also used to conduct custom built and public education in IM areas for our customers. The Chennai Centre houses the corporate office and delivers our support, development and managed services operations. Chennai also has a dedicated Centre for one of our Credit Management clients. Our Noida Centre runs our Credit Management clients' international development and support projects. One of Saksoft's large clients uses all three Centres for their entire outsourcing needs.

Human Resources Management

India's position as the leading player in the global sourcing market has been the availability of an abundant talent pool and the multi-pronged skills of the existing employee base. India is the world's largest source of employable talent one of the key parameters for clients choosing India as the most preferred sourcing market. Given the importance of human resources to the IT-BPO Industry, the large size of employee base and the need to attract future talent, the industry has been initiating various measures that ensure an employee friendly work environment.

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

- Employee engagement
- Ensuring Career Progression while enabling a balanced personal life.
- HR policies focussing on localizing talent, while business goes global
- Industry constantly developing talent ecosystem to mould future leaders

Your Company has imbibed and conceptualized its core human resource values that makes a difference in many ways and in the process provide a numerous opportunities for people to grow to the next level. More importantly the Company's human resource management process has been designed to create a mindset among the employees where they have the opportunity to work with some talented, interesting and inspiring people who at the same time

display discipline and humility. Saksoft 's enlightened approach to employee development also focus on giving people whatever they need to succeed which ensures that people are given continuous support, learning, recognition and transformation to next level.

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

Disclosure as required under section 22 of 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.

Saksoft has setup an Internal Complaints Committee (ICC) and Penal consequences of Sexual Harassment ("SH") and the constitution of the ICC is displayed at conspicuous place at Delivery centres in Chennai and Noida.

The following is the summary of the complaints received and disposed off during the financial year 2014-15:

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

Corporate Social Responsibility (CSR)

During the financial year under review, the Board of Directors has constituted CSR committee comprising a. Mr. Autar Krishna – Non-Executive Director b. Mr. Aditya Krishna – Managing Director c. Mr. Amitava Mukherjee – Independent Director.

Responsibility of the CSR Committee is as follows:

- Formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
- Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.

- Recommending to Board the CSR expenditure to be incurred.
- Recommending to Board, modifications to the CSR policy as and when required.
- Regularly monitoring the implementation of the CSR policy

The Board of Directors has also adopted the CSR policy and the Policy is placed on the website of the Company which is available on the below given link:
http://www.saksoft.com/PDF/Corporate_Social_Responsibility_Policy.pdf

As part of its initiatives under “Corporate social responsibility” (“CSR”), the company has contributed for R&D activities in fields of agriculture. The contribution in this regard have made to the registered Trust which is undertaking R& D activities. The report on CSR activities is annexed herewith as “Annexure 2”.

Quality

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

Corporate Governance

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

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

The Company confirms that it has paid the annual listing fee for the year 2015-16 to the National Stock exchange (NSE) in which the shares of the company are listed.

Internal Control Systems and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

Internal Auditors

M/s. RGN Price & Co., Chartered Accountants are as the Independent Internal auditors of the Company. The Audit Committee determines the scope of internal Audit which inter-alia includes:

Operating Expenses, Procure to pay, HR, Payroll and Benefits, Travel and Entertainment, Fixed Assets and Software Assets, Revenue & Receivables, Statutory Compliance, Cash & Bank, GL Close process, IT General Controls.

Board Meetings, Board of Directors, Key managerial personnel & Committee of Directors

A Calendar of meetings is prepared and circulated in advance to the Directors at the beginning of every the year. During the financial year under review, six Board meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report that forms part of this Annual report. The intervening gaps between any two meetings were within the period prescribed by the Companies Act, 2013.

During the financial year under review, Ms. Kanika Krishna was appointed as a non-executive Director at the Annual general meeting held on 26th September, 2014. Ms. Kanika Krishna, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends the re-appointment of Ms. Kanika Krishna.

Effective, November 04, 2014, Mr. S. Narayan, Company secretary resigned and Mr.Vivekanandan Babu was appointed as the Company secretary and Compliance officer.

At the Meeting of the Board of Directors held on May 25, 2015, the Directors have recommended the re-appointment of Mr.Aditya Krishna as Managing Director for a period of 5 years with effect from 01.04.2016 to 31.03.2021, subject to the approval of the members. The resolutions seeking approval of the Members for the appointment of Mr.Aditya Krishna has been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about him.

At the board meeting held on 04th August, 2015, the Board of Directors of the Company had expressed their deep condolences and loss happened to the company due to the sad demise of Mr.Autar Krishna, Chairman of the Board. The Board of Directors had also placed on record its deep sense of appreciation for the valuable contributions by Mr.Autar Krishna during his tenure as the Chairman of the Board.

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 3”.

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 and composition of CSR and its role and responsibility is detailed in this report.

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. The Board diversity Policy is available on our website. http://www.saksoft.com/PDF/Board_Diversity_Policy.pdf

Board Evaluation

Pursuant to the Provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration policy is stated in the Corporate Governance Report.

Directors' Responsibility Statement

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

- (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.

Vigil Mechanism/ whistle Blower Policy

The company has framed the whistle Blower policy to deal with instance of fraud and mismanagement, if any. The policy is available on the website of the Company [http://www.saksoft.com/PDF/Whistle_Blower_Policy.pdf]. During the year under review there are no incidents/ issues reported.

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 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 Clause 49 of the Listing Agreement, 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.

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. Lakshmi Subramaniam & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as “Annexure 4”.

Auditor’s Report and Secretarial Audit Report

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

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.

Technology Absorption

Your 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. 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.

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.

Foreign Exchange Earnings and Outgo

(₹ in mn)		
Foreign exchange earnings and outgo	2014-15	2013-14
Foreign Exchange earnings	365.19	320.31
Expenditure in Foreign Currency	22.22	23.93

Extract of Annual return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure 5”.

Risk Management

The Statement of Risk indicating development and implementation of risk management policy forms part of the MDA report. At present the Company has not identified any element of risk which may threaten the existence of the company.

Particulars of Employees

During the financial year under review, none of the employees drew remuneration of ₹6mn or more per annum or ₹0.5mn 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.

Employees Stock Option Scheme

Your Company currently administers two stock option schemes, Viz., ESOP 2006 and ESOP 2009. Summary information of these stock option schemes of the Company is provided under Notes to Accounts under Financial Statements of this Annual report.

During the year under review the Board of Directors have allotted 95,000 equity shares on 08th July, 2014 and 30,000 equity shares on 11th December, 2014 consequent to the exercise of options by certain eligible employees of the Company who were granted options on 03rd December, 2010 at grant price of ₹44.25 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approvals were obtained from National Stock Exchange on 24th July, 2014 and 24th December, 2014 respectively for the above allotted Shares. The paid up share capital of the Company after allotment of 125,000 equity shares stands at 10,360,000 Equity Shares as of 31st March 2015.

Further during the year, the Company has received the In-principle approval for listing of additional 500,000 equity shares of ₹10/- each to be issued under ESOP scheme 2009.

Details of the Shares issued under Employee Stock Option Plan (ESOP) and the information required under the Guidance note of ICAI are set out in “Annexure 6” to this report.

Acknowledgement

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

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

For and on behalf of the Board

Place : Chennai

Date 04th August, 2015.

Aditya Krishna

Managing Director

R. Rajagopalan

Director



Details of Related Party Transactions
Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

I. Details of contracts or arrangements or transactions not at arm’s length basis

(a) Name(s) of the related party and nature of relationship	There were no transactions or arrangements which were not at arm's length.
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm’s length basis

(a) Name(s) of the related party and nature of relationship	Sak Industries Private Limited Promotor group company, holds 28.96% in Saksoft Limited	
(b) Nature of contracts/arrangements/ transactions	Leasing of Office Building at Noida	Loan
(c) Duration of the contracts / arrangements/transactions	The Lease is for a period of 36 months starting from 01st January, 2013 to 31st December 2015. The lease can further be renewed for a period of 36 months with an escalation of 20% on the then existing rental amount.	The initial loan was obtained during the year 2006 and repayable in full by 09th September, 2016.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The Lease is for the Commerical Premise sector 80, Phase II, Noida (U.P.)-201305. The monthly lease rent is ₹0.57mn exclusive of Mantainance chareges if any payable to the Maintenance Association.	Total outstanding loan amount as on March 31, 2015 is ₹185mn. Interest is charged at SBI Base Rate plus a premium of 150 basis points
(e) Date(s) of approval by the Board, if any:	The transaction is as per the policy laid down by the Audit Committee, which is published on the website and approval of the Audit committee is sought at every meeting of the Audit committee, as required under the provisions of the Listing Agreement.	24th July, 2006 and 03rd November, 2014. Interest is charged at SBI Base Rate plus a premium of 150 basis points. The transaction is as per the policy laid down by the Audit Committee, which is published on the website and approval of the Audit committee is sought as required under the provisions of the Listing Agreement.
(f) Amount paid as advances, if any:	Not applicable	Note Applicable

For and on behalf of the Board

Place : Chennai

Date : 04th August, 2015.

Aditya Krishna

Managing Director

R. Rajagopalan

Director

ANNEXURE 2 TO THE Directors' Report

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/PDF/Corporate_Social_Responsibility_Policy.pdf

2. Composition of CSR committee

The followings Directors are the members of CSR committee.

Mr. Autar Krishna – Non-Executive Director

Mr. Amitava Mukherjee – Independent Director

Mr. Aditya Krishna – Managing Director

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

Average net profit: ₹ 56.88mn

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

The company is required to spend ₹ 1.14mn

5. Details of CSR spend for the financial year

a) Total amount spent for the financial year : ₹ 1.2mn

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 Programme wise (₹ in mn)	Amount spent on the project or programme (₹ in mn)	Cumulative Expenditure upto reporting Period (₹ in mn)	Amount Spent : Direct or through implementing Agency
1	R & D activities	Research in Agriculture	PAN INDIA	₹ 1.14	₹ 1.20	Nil	Agency*

*Agency details : Bioved Research Society ("Society"), an International Research Organisation, registered with Govt. of India, Ministry of Home Affairs and under Society Registration Act, 1860 with an Objective to promote research in Bio-science (Life Sciences, Agriculture and Nematology). Bioved has an established track in the field of research since 1989. Also the Society has been approved for receiving donation/ contributions for implementation of approved projects by Central Board of Direct Taxes, Ministry of Finance under 35 (i)(ii)/IT Act 1961 for performing R&D activities in different fields of agriculture.

6. 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.**
7. CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Place : Chennai
Date : 04th August, 2015.

Aditya Krishna
Managing Director

R. Rajagopalan
Director

ANNEXURE 3 TO THE Directors' Report

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	0.26
Mr. R. Rajagopalan	0.47
Mr. Amitava Mukherjee	0.47
Mr. Ajit Thomas	0.36
Ms. Kanika Krishna	0.11
Executive Director	
Mr. Aditya Krishna	5.47

*Sitting fees based on the number of meetings attended by the Directors and commission paid during the financial year 2014-15 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	13%
Mr. Amitava Mukherjee	13%
Mr. Ajit Thomas	NIL
Ms. Kanika Krishna	N.A*
Mr. Aditya Krishna- Managing Director	NIL
Mr. Nirajkumar Ganeriwala, Chief Financial Officer	5.1%
Mr. Narayan. S, Company Secretary (Resigned)	N.A*
Mr. Vivekanandan Babu, Company Secretary	N.A*

*Appointed/ resigned during the financial year.

3. The percentage increase in the median remuneration of employees in the financial year: 5.5%

4. The number of permanent employees on the rolls of Company: 289

5. The explanation on the relationship between average increase in remuneration and Company Performance:

On an average, employees received an increase of 6.3%. 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 2014-15 (aggregated)	7.46
Revenue from Operations (Consolidated)	2,314.00
Remuneration (as % of revenue)	0.32%
Profit before tax (PBT) (consolidated)	227.02
Remuneration (as % of PBT)	3.28%

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, 2015	March 31, 2014	% Change
Market capitalization (₹ in mn)	1,422.95	726.69	95.81
Price earnings Ratio	25.11	13.25	89.51

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, 2015	May 09, 2005 (IPO)	% Change
Market Price (NSE) (₹)	137.35	30.00	357.83

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 2014-15 was 6.1%. Percentage increase in the managerial remuneration (Senior Leadership team) for the year was 9%

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	3.49	0.97
Revenue (Consolidated)	2,314.00		
Remuneration (as % of revenue)	0.13%	0.15%	0.04%
Profits before Tax (PBT) (consolidated)	227.02		
Remuneration (as % of PBT)	1.32%	1.54%	0.43%

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

Members at the AGM of the Company held on 06th August, 2012 approved payment of commission to the Non-executive

Directors with the ceiling of 1% of net profits of the Company for a period of 5 years from the financial year commencing 1st April, 2013, 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: 1:2

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 : 04th August, 2015.

Aditya Krishna **R. Rajagopalan**
Managing Director Director

ANNEXURE 4 TO THE Directors' Report

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On
31st March, 2015

(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 2015, 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, 2015 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Share Based employee Benefits), 2014; and
- 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.
- The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (**Not applicable for the Audit Period**).
- The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (**Not applicable for the Audit Period**).
- The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (**Not applicable for the Audit Period**).

We have also examined compliance with the Listing Agreements entered into by the Company with the Stock Exchanges.

We further report that, during the audit period, the Secretarial Standards was not notified.

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, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with general laws like Labour laws, and environmental laws.

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 per the minutes of the meeting duly recorded and signed by

the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 except for issue of shares under ESOP scheme the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For Lakshmmi Subramanian & Associates

Swetha Subramanian

Place: Chennai

ACS: 33222

Date: 25 May 2015

CP No: 12512

“Annexure A”

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED for the financial year ended 31.03.2015)

To,
The Members,
SAKSOFT LIMITED

Our Secretarial Audit Report for the financial year ended 31.3.2015 is to be read along with this Annexure A.

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

For Lakshmmi Subramanian & Associates

Swetha Subramanian

Place: Chennai

ACS: 33222

Date: 25 May 2015

CP No: 12512

ANNEXURE 5 TO THE
Directors’
Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS
ON THE FINANCIAL YEAR ENDED ON
[Pursuant to section 92(3) of the Companies
Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details

i.	CIN	L72200TN1999PLC054429
ii.	Registration Date	24/11/1999
iii.	Name of the Company	SAKSOFT LIMITED
iv.	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v.	Address of the Registered office and contact details	SP Infocity II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096 Office +91 44 24543500 Email: complianceofficer@saksoft.co.in or investorqueries@saksoft.co.in
vi.	Whether listed company	Yes. Listed with National stock exchange 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:saksoft@cameoindia.com or 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
I	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. (a.k.a Electronic Data Professionals Inc.) 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)

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
4.	Acuma Solutions Limited Waterside Court I Crewe Road Manchester M23 9BE	Foreign Company	Subsidiary	Saksoft Solutions Limited, holds 100%	2(87)
5.	Acuma Software Limited Waterside Court I 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 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% 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	37.84	3,873,190	-	3,873,190	37.39	(0.45)
b) Central Govt			-	-	-	-	-	-	-	
c) State Govt(s)			-	-	-	-	-	-	-	
d) Bodies Corp		3,183,150	-	3,183,150	31.11	3,183,150	-	3,183,150	30.73	(0.38)
e) Banks / FI			-	-	-	-	-	-	-	
f) Any Other										
Employees welfare Trust		554,960	-	554,960	5.42	554,960	-	554,960	5.36	(0.06)
Sub-total(A)(1):-		7,611,300	-	7,611,300	74.37	7,611,300	-	7,611,300	73.48	(0.89)
2) Foreign										
g) NRIs-Individuals		-	-	-	-	-	-	-	-	-
h) Other-Individuals		-	-	-	-	-	-	-	-	-
i) Bodies Corp.		-	-	-	-	-	-	-	-	-
j) Banks / FI		-	-	-	-	-	-	-	-	-
k) Any Other....		-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-		-	-	-	-	-	-	-	-	-

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Public Shareholding										
1. Institutions										
a) Mutual Funds										
b) Banks / FI		101,297		101,297	0.99	101,297		101,297	0.98	(0.01)
c) Central Govt		-	-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-	-
g) FIs		20,000	-	20,000	0.20	54,000	-	54,000	0.52	0.32
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-	-
Sub-total (B)(1)		121,297	-	121,297	1.19	155,297	-	155,297	1.50	0.31
2. Non Institutions										
a) Bodies Corp. (i) Indian (ii) Overseas		71,773	-	71,773	0.70	220,138	-	220,138	2.12	1.42
b) Individuals										
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh		508,293	3,206	511,499	4.99	589,915	3,206	593,121	5.73	0.74
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh		1,691,758	-	1,691,758	16.53	1,620,518	-	1,620,518	15.64	-0.89
c) Others (Specify)										
Clearing Member		28,255	-	28,255	0.28	611	-	611	0.01	-0.27
ESOP/ESOS/ESPS		88,007	16,100	104,107	1.02	23,087	16,100	39,187	0.38	-0.64
Hindu Undivided Family		64,746	-	64,746	0.63	67,634	-	67,634	0.65	0.02
Non Resident Indians		30,265	-	30,265	0.30	52,194	-	52,194	0.50	0.20
Sub-total (B)(2)		2,483,097	19,306	2,502,403	24.45	2,574,097	19,306	259,403	25.03	0.58
Total Public Shareholding (B)=(B)(1)+(B)(2)		2,604,394	19,306	2,623,700	25.63	2,729,394	19,306	2,748,700	26.53	0.90
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		10,215,694	19,306	10,235,000	100	10,340,694	19,306	10,360,000	100	-

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in share holding 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 Trade and Investments Private Ltd	183,150	1.79	-	183,150	1.78	-	(0.01)
2.	Autar Krishna	200,120	1.96	-	200,120	1.93	-	(0.03)
3.	Aditya Krishna	3,673,070	35.89	-	3,673,070	35.45	-	(0.44)
4.	Saksoft Employees Welfare Trust	554,960	5.42	-	554,960	5.36	-	(0.06)
5.	Sak Industries Private Limited	3,000,000	29.31	-	3,000,000	28.96	-	(0.35)
	Total	7,611,300	74.37	-	7,611,300	73.48	-	(0.89)

*Percentage change is due to increase in the number of paid up equity share capital. There were no change in the shareholdings of the promoters.

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in promoters' shareholding between 01.04.2014 to 31.03.2015.			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

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

Sr. no	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2014		Change in the shareholding during the year (Net)		Shareholding at the end of the Year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% total shares of the company	No. of shares	% of total shares of the company
1	UMAMAHESWARI JANARTHANAN	318,647	3.11	-	-	318,647	3.08
2	K.BALASUBRAMANIAN	295,667	2.89	2,466	0.02	298,133	2.88
3	A R MURUGAPPAN	175,095	1.71	(1,436)	(0.01)	173,659	1.68
4	UNITED INDIA INSURANCE COMPANY LIMITED	101,297	0.99	-	-	101,297	0.98
5	B.BHARATHAN KANTHIMATHINATHAN	89,970	0.88	-	-	89,970	0.87
6	JMP SECURITIES PVT. LTD.	-	-	77,000	0.74	77,000	0.74
7	PASSAGE TO INDIA MASTER FUND LIMITED	-	-	54,000	0.52	54,000	0.52
8	J BABULAL	50,000	0.49	-	-	50,000	0.48
9	PERUNGULAM SUBRAMANIAN LALITHA	50,000	0.49	-	-	50,000	0.48
10	S.THILLAINAYAKI	-	-	40,213	0.39	40,213	0.39

v.Shareholding of Directors and Key Managerial Personnel:

Sr. no	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2014		Change in the shareholding during the year (Net)		Shareholding at the end of the Year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% total shares of the company	No. of shares	% of total shares of the company
1	Autar Krishna, Director	200,120	1.96	-	-	200,120	1.93
2	Aditya Krishna, Managing Director	3,673,070	35.89	-	-	3,673,070	35.45
3	Ajit Thomas, Director	200,000	1.95	-	-	200,000	1.93
4	Nirajkumar Ganeriwal, CFO	20,000	0.19	19,600	0.19	39,600	0.38

Note for point no. iv and v above: The above details are given as on 31st March, 2015. The company is listed and 99.81% 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 125,000 Shares consequent to exercise of ESOP by the eligible employees which resulted in the increase in the total paid up share capital as on 31.03.2015.

V. Indebtedness

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

(₹ in mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22.31	220.00	-	242.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	22.31	220.00	-	242.31
Change in Indebtedness during the financial year				
- Addition	121.13	-	-	121.13
- Reduction	(20.54)	(35.00)	-	(55.54)
Net Change	100.54	(35.00)	-	65.59
Indebtedness at the end of the financial year				
i) Principal Amount	122.90	185.00	-	307.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	122.90	185.00	-	307.90

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in mn)

Sl. 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		
	- others, 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	Fee for attending Board/ Committee Meetings	Commission	Others, Please specify	Total Amount
1.	Independent Directors				
	Mr. R. Rajagopalan	0.15	0.1	-	0.25
	Mr. Amitava Mukherjee	0.15	0.1	-	0.25
	Mr. Ajit Thomas	0.09	0.1	-	0.19
2.	Other Non-Executive Directors				
	Mr. Autar Krishna	0.04	0.1	-	0.14
	Ms. Kanika Krishna	0.06	-		0.06

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD (₹ in mn)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Narayan. S Company Secretary till Nov. 4, 2014	Mr. Vivekanandan Babu Company Secretary from Nov. 4, 2014	Mr. Nirajkumar Ganeriwal CFO	Total Amount
1.	Gross salary	0.58	0.38	3.49	4.45
	(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	0.58	0.38	3.49	4.45

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during year ended March 31, 2015.

For and on behalf of the Board

Place : Chennai

Date : 04th August, 2015.

Aditya Krishna

Managing Director

R. Rajagopalan

Director

ANNEXURE 6 TO THE Directors' Report

Information as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and 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 Prevailing 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)	Primary	
Variation in terms of options	1. 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	200,000	305,000
Options Granted during the year	NIL	150,000 options (50,000 options on 08th July, 2014 at a grant price of ₹93/- and 100,000 options on 26th September, 2014 at a grant price of ₹ 138.70/-)
Options forfeited/lapsed during the year	(100,000)	(80,000)
Options Vested during the year	25,000	62,500
Options Exercised during the year	NIL	125,000
Total numbers of shares arising as a result of exercise of option	NIL	125,000
The exercise price	45.05	44.25 (for the option exercised during the year)
Money realized by exercise of options	NIL	₹5.53mn
Loan repaid by the Trust during the year from Exercise price received	Not applicable	Not applicable
Options outstanding at the end of the year	100,000	250,000
Options exercisable at the end of the year	50,000	100,000
Employee wise details of Options granted to (1) Key & Senior Management Personnel.	NIL	Details given at the end of this table.

Name of the Plan	ESOP 2006	ESOP 2009
(2) Any other employee who receives a grant in any year of option amounting to 5% or more of options granted during the year.	NIL	NIL
(3) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	NIL	NIL
Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) – 20 (Earnings per share)	Diluted Earnings per share as reported ₹5.47 (Previous year ₹5.36)	
Where the Company has calculated the employee compensation cost using intrinsic value of Stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference in Profit on EPS of the Company shall also be deducted.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by ₹0.45mn Profit after tax lower by ₹0.45mn and the basic and diluted earnings per share would have been lower by ₹0.0438 respectively.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by ₹1.22mn Profit after tax lower by ₹1.22mn and the basic and diluted earnings per share would have been lower by ₹0.1183 respectively.
Weighted-average exercise prices and weighted average fair values of options shall have been disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the Stock.	No options granted during the year	Options grant Date : 8th July 2014 Grant Price : ₹93.00 Fair Value : ₹53.21 Options grant Date : 26th September, 2014 Grant Price : ₹138.70 Fair Value : ₹78.80
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	03-12-2010 08-07-2014 26-09-2014
(i) risk-free interest rate	8.09%	8.09% 8.09% 8.09%
(ii) expected life	2.25 yrs	5.75 yrs 9.25yrs 9.5yrs
(iii) expected volatility	68.56%	68.56% 68.56% 68.56%
(iv) expected dividend	3.00%	3.00% 3.00% 3.00%
(v) the price of the underlying share in market at the time of option grant	₹45.05/-	₹44.25/- ₹93/- ₹138.70

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
Mr. Dhiraj Mangla	Executive Vice President & Global Delivery Head	08th July, 2014	50,000	₹93.00
Mr. Bhaskar Narayanan	Vice President of APAC Sales	26th September, 2014	50,000	₹138.70
Mr. Ramanan Madhu	Senior VP and Business Head-US	26th September, 2014	50,000	₹138.70

For and on behalf of the Board

Place : Chennai
Date : 04th August, 2015.

Aditya Krishna **R. Rajagopalan**
Managing Director *Director*

REPORT ON Corporate Governance (Pursuant to Clause 49 of the Listing Agreement)

Company’s Philosophy on Corporate Governance

The Board of Directors ('the Board') of Saksoft Limited is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance. Our values are integrated into every aspect of our work and we believe it to be a core attribute of being socially responsible. The Company has adopted a Code of Conduct for its Senior Management including the Managing Director.

Saksoft's philosophy on corporate governance has evolved over a period of time and strives to achieve balance between individual interests and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations in a manner that is guided by transparency, accountability and integrity. Accountability improves decision-making and transparency helps to explain the rationale behind decisions and to build stakeholder confidence. We believe that sound corporate governance is critical to enhancing and retaining investor trust. Accordingly, we 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 Clause 49 of the Listing Agreement. The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees.

The following is a report on the status and progress on Corporate Governance and its implementation as per Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises

and controls the performance of the Company. The Board currently comprises of five Directors. Three Independent Directors comprise of more than half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.

None of the Directors on the Company's Board 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 Annexure X to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliance, if any. The Managing Director and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (IX) of the Listing Agreement for the Financial Year ended March 31, 2015.

Composition and category of Directors*:

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

* Mr.Autar Krishna, Director passed away on July 04, 2015.

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.

Board Meetings

The meetings of the Board deliberate among other things, key issues like periodic operating and financial results, capital/operating budgets, findings/comments of the Statutory, and Internal auditors, risk management, internal controls, issue of capital and other resource mobilization efforts. The Board also deliberates on the Company's strategy for medium and long term growth.

The annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board meetings. The Company conducts Board meetings in compliance with the requirements of the Companies Act, 2013 and the Listing Agreement. During the financial year 2014-15, the Board met 6 times on 26th May 2014, 04th August 2014, 26th September 2014, 03rd November, 2014, 03rd February, 2015 and 02nd March, 2015.

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

Name of the Director	Particulars of the attendance in		Directorship in other Indian Public Companies	Position on Audit & Investor Grievance Committees in other Indian Public Companies	
	Board Meetings	Last AGM		As Chairman	As Member
Autar Krishna	2/6	No	-	-	-
Aditya Krishna	6/6	Yes	-	-	-
R Rajagopalan	5/6	Yes	—	-	-
Amitava Mukherjee	5/6	Yes	I	-	I
Ajit Thomas	3/6	No	9	-	-
Kanika Krishna*	3/4	Yes	—	—	-

*Kanika Krishna was appointed with effective 26th September, 2014.

Notes :

1. None of the Directors of the Company hold membership of more than ten Committees nor is a Chairman of more than five committees (as specified in Clause 49), across all companies of which he is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2015 have been made by the Directors.
2. The committees considered for above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee and Shareholders' Relationship Committee.

Board Procedure

The Board meets at least once in a quarter and the interval between two meetings is not more than 120 days.

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the company and the weblink of the same is as follows:
http://www.saksoft.com/PDF/Independent_Directors_Terms_of_Appointment.pdf

The company has formulated a policy to familiarise 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 familiarisation programmes are disclosed in the website of the company. Weblink of the same is as follows

http://www.saksoft.com/PDF/Familiarization_Programme_for_Independent_Directors.pdf

Audit Committee

The terms of reference stipulated by the Board to the audit committee cover the matters specified under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Audit committee of the company consists of 3 non-executive and independent directors. The composition of the committee and the qualification prescribed for the members are in compliance with the requirements of clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.

During the year 2014-15, the Audit Committee met four times on 26th May 2014, 04th August 2014, 03rd November 2014, 03rd February, 2015.

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	4/4
Ajit Thomas - Independent Director	Member	3/4

Nomination and Remuneration Committee

The terms of reference stipulated by the Board to the Nomination and remuneration Committee cover the matters specified under clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 which inter-alia includes recommendation to the Board of Directors, the remuneration payable to the Managing Director as and when they come up for review, administering the Employees Stock Option plans of Saksoft Limited and evaluation of performance of Independent Directors and Key Managerial Personnel.

The company's Nomination and Remuneration committee consists of three non-executive independent directors. During the year under review, the committee met thrice on 04th August 2014, 26th September, 2014 and 03rd November, 2014.

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	3/3
Amitava Mukherjee - Independent Director	Member	3/3
Ajit Thomas - Independent Director	Member	2/3

The summary of sitting fees paid for the year ended 31st March 2015 to the directors and the Commission are as follows: (₹ in mn)

S.No.	Names of Directors	Sitting Fees (Board Meetings)	Sitting Fees (Committee Meetings)	Managerial Commission Payable	Total
1.	Autar Krishna	0.04	-	0.1	0.14
2.	R.Rajagopalan	0.1	0.05	0.1	0.25
3.	Amitava Mukherjee	0.1	0.05	0.1	0.25
4.	Ajit Thomas	0.06	0.03	0.1	0.19
5.	Kanika Krishna	0.06	-	-	0.06

The board of Directors have approved the remuneration policy on 26th September, 2014 with the following objectives: • 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.

This policy is available on the website of the Company and weblink is as follows: http://www.saksoft.com/PDF/Nomination_and_Remuneration_Committee_Policy_Saksoft_Limited.pdf

The details of remuneration paid to the Managing Director of the Company for the year ended 31st March 2015 is as under:

Name	Salary	Commission	Total
Aditya Krishna, Managing Director	₹ 3.00mn	NIL	₹ 3.00mn

Remuneration of 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. Your Company has obtained approval from its Shareholders at 13th Annual General Meeting of the Company towards payment of commission of 1% of the net profits of the Company for a period of 5 years commencing from 1st April 2013. The said commission will be decided each year by the Board of Directors and distributed amongst the Non-executive and Independent Directors based on the period of their association with the Company during the year.

Critiera for Appointment and Remuneration for the Whole-time Director, KMP and Senior Management Personnel

- 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 screened by the Global 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 Global 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.

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.
- A 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.
- An Independent Director shall not be entitled to any stock option of the Company.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.The performance evaluation of the Independent Directors was carried out by the entire Board.The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee.The Directors expressed their satisfaction with the evaluation process.

Stakeholders’ Relationship Committee

During the year under review, the Board of Directors have renamed the Investors Grievance Committee as Stakeholders’ Relationship Committee in line with the Companies Act 2013 and the listing agreement. Mr: R Rajagopalan, Mr: Amitava Mukherjee and Mr: Ajit Thomas, Independent Directors are the members of the Committee. Mr: R Rajagopalan, is the chairman of the Committee. Mr: Vivekanandan Babu, the Company Secretary and Compliance Officer of the Company is the secretary of the committee. The

Committee looks into redressing of stakeholders’ complaints like share transfers, non-receipt of dividend warrants etc. During the year, the committee met 4 times on 26th May 2014, 04th August 2014, 03rd November, 2014 and 03rd February, 2015.

During the year there was no investor complaint received/pending for the year ended 31st March 2015.

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	4/4
Ajit Thomas - Independent Director	Member	3/4

General Body Meetings

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

Year	Location	Date	Time
2011-12	P.Obul Reddy Hall,Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai – 600017.	06.08.2012	10.00 AM
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

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

Financial Year	General Meeting	S.No.	Particulars of Special Resolution passed.
2011-12	13th Annual General Meeting	1.	A special resolution was passed for payment of commission to Non-Executive Directors for further period of 5 years from financial year commencing from 1st April 2013.
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	1.	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)
		2.	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.

(iii) Special Resolutions passed through Postal Ballot:

The Board of Directors of the Company had, at its Meeting held on February 03, 2015 Chaired by Mr: R. Rajagopalan, Independent Director approved the proposal for conducting postal Ballot under Section 110 of the Companies Act, 2013 for passing Special resolutions under section 180(1)(a) and 186 of the Companies Act, 2013, authorizing the Board :

1. To Create charges / mortgages on the moveable and immoveable properties of the company, both present and future, in respect of borrowings of the company not exceeding the limit approved under section 180(1)(c) of the Companies Act, 2013 by the Shareholders from time to time and

Independent Directors’ Meeting

During the year under review, the Independent Directors met on February 03, 2015, 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.

February 17, 2015) to send their assent or dissent in writing by post or through electronic means within a period of 30 days from the date of despatch of the notice ie., till March 19, 2015. Members whose names on the Register of Members/ List of Beneficial owners as on February 06, 2015 were considered for the purpose of voting. An advertisement, regarding the dispatch of Postal Ballot Notice along

with ballot papers and containing all the matters required under the Companies Act, 2013 and relevant Rules was published on February 17, 2015.

Voting was commenced on February 18, 2015 (9:00 Hours IST) and ended on March 19, 2015 (17:30 Hours IST)

In the report of the scrutinizer dated March 20, 2015 on the Postal Ballot, it has been reported that upto the close of voting on March 19, 2015, the votes received along with percentage of voting were as under:

Item No in the Notice	Total Valid Votes	Votes in favour of the resolution			Votes against the resolution			Rejected Votes	Votes Abstained
		No. of Shares Holders (Folios)	No. of Share	% of total number of valid votes cast	No. of Share Holders (Folios)	No. of Shares	% of total number of valid votes cast		
ITEM NO. 1: Special Resolution for Approval of the shareholders to Mortgage/ Create charge over the properties of the company.									
E-Voting	3,980,774	21	3,980,264	99.99	4	510	0.01	-	-
Postal Ballot	3,918,737	42	3,918,737	100	-	-	-	183,949	
TOTAL	7,899,511	63	7,899,001	99.99	4	510	0.01	183,949	-
ITEM NO. 2: Special Resolution for approval of the shareholders u/s. 186 of the Companies Act 2013:									
E-Voting	3,980,774	22	3,980,364	99.99	3	410	0.01	-	
Postal Ballot	3,918,737	42	3,918,737	100	-	-	-	183,949	-
TOTAL	7,899,511	64	7,899,101	99.99	3	410	0.01	183,949	-

Based on the analysis of the Valid Votes, the Scrutinizer has reported that the Special Resolutions under Section 180(1)(a) and 186 of the Companies Act 2013 as contained in the Postal Ballot Notice dated February 03, 2015, has been passed with Requisite Majority.

Accordingly, based on the Scrutinizer's aforesaid report, Mr. Aditya Krishna, Managing Director as authorized at the Board meeting held February 03, 2015 approving conduct of the Postal Ballot had declared the results.

The Board of Directors had authorized Mr. Aditya Krishna, Managing Director and Mr. Vivekanandan Babu, Company secretary to conduct the postal ballot exercise.

V. 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.

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

Disclosures

Risk Management: Clause 49 VI.C regarding Risk Management is not applicable for the Company. However the Company has laid down the procedures to inform Board members about the risk assessment and minimization procedures and also has constituted a committee comprising Managing director and senior management personnel as detailed in the MDA report.

Subsidiary Companies

Detailed report of subsidiary companies forms part of the Directors' report. The company has formulated a policy for determining "Material" subsidiary and such policy is available on the website of

the Company and the weblink is as follows:
http://www.saksoft.com/PDF/Material_Subsiidiary_Policy.pdf

Related Party Transactions

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

Also detailed report on related party transactions forms part of Directors' Report.

None of the Independent Directors have any pecuniary relationships or transactions vis-à-vis the Company for the year ended March, 31 2015 and have given undertakings to that effect. Register under section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register; wherever applicable.

Disclosures

There have been no instances of non-compliances by the Company.

Hence there are no penalties, strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company.

The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee. The Whistle Blower Policy is available on the website of the Company: http://www.saksoft.com/PDF/Whistle_Blower_Policy.pdf

Details of Compliance with the Mandatory Requirements and non-mandatory requirements.

The Company has complied with the applicable mandatory requirements of clause 49 of the listing agreement.

As part of the non-mandatory requirements the internal auditor reports to the audit committee.

Means of Communication

The Company publishes the quarterly financial results in the manner prescribed by the National Stock Exchange. For the financial year ending 31st March 2015, the quarterly results were filed and published in the manner set forth below:-

Quarter	Date of Filing with the Stock Exchange	Date of publication in English News paper	Date of publication in Vernacular daily
I	26th May, 2014	27th May 2014 – Trinity Mirror	27th May 2014 – Makkal Kural
II	04th August, 2014	05th August 2014 – Trinity Mirror	05th August 2014 – Makkal Kural
III	03rd November, 2014	04th November 2014– Trinity Mirror	04th November, 2014 – Makkal Kural
IV	03rd February, 2015	04th February 2015 – Trinity Mirror	04th February 2015 – Makkal Kural

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

The Company displays official news releases and presentations made to institutional investors or to the analysts on the website and informs the stock exchanges simultaneously.

Updated Website

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

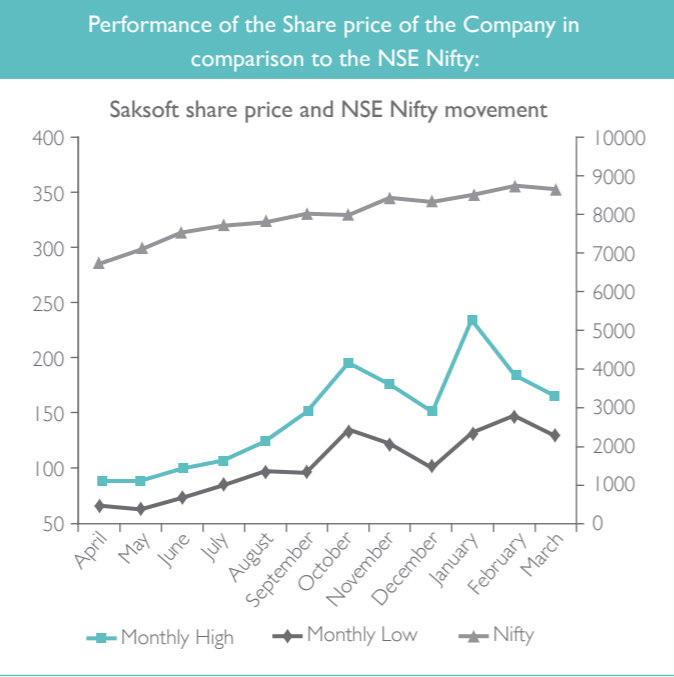
CEO / CFO Certification

As required by Clause 49 of the Listing Agreement, a Certificate on the financial statements and Cash Flow statement of the Company for the year ended March 31, 2015 has been duly signed by the Managing Director and Chief Financial Officer.

General Shareholder Information: (Tentative)

Particulars	Details
Annual General Meeting	Date : 10th September, 2015 Time : 10.30 A.M Venue : P.Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017
Financial Year	1st April to 31st March
Periodical results	First week of August 2015 First week of October 2015 First week of February 2016 Last week of May 2016 <i>*The schedule is tentative.</i>
Book Closure Date	04th September, 2015 to 10th September,2015 (both days inclusive)
Dividend Payment Date	Between 21st September 2015 and 09th October 2015
Listing on Stock Exchanges	The Equity shares of the Company are listed at the National Stock Exchange of India Limited and are permitted to be traded on the Bombay Stock Exchange under the permitted trading category. The annual listing fee as prescribed by the National Stock Exchange has been paid to them within the prescribed time limit.
Stock Code	ISIN : INE667G01015
DEMAT ISIN Number in NSDL and CDSL for Equity Shares.	NSE Stock code : SAKSOFT EQ BSE (under permitted trading category) stock code : 590051
Market Price Data: High and Low during each month in last financial year	The National Stock Exchange of India Limited, Mumbai (Provided below)

National Stock Exchange		
Month,Year	Price High	Price Low
April 2014	88.00	65.50
May 2014	88.80	61.95
June 2014	97.95	73.15
July 2014	106.85	85.45
August 2014	123.50	97.40
September 2014	151.90	97.00
October 2014	196.90	135.00
November 2014	176.00	122.55
December 2014	152.00	102.65
January 2015	234.00	131.90
February 2015	184.00	148.00
March 2015	164.80	130.10



List of Top ten shareholders of the Company as on March 31, 2015

Sl. No.	Shareholder name	Shares	Percentage
1	Aditya Krishna	3,673,070	35.45
2	Sak Industries Private Ltd	3,000,000	28.96
3	Saksoft Employees Welfare Trust	554,960	5.36
4	Umamaheswari Janarthanan	318,647	3.07
5	K.Balasubramanian	298,133	2.88
6	Autar Krishna	200,120	1.93
7	Ajit Thomas	200,000	1.93
8	Sonnet Trade And Investments Pvt Ltd	183,150	1.77
9	A R Murugappan	173,659	1.68
10	United India Insurance Company Limited	101,297	0.98
		8,703,036	84.01

Registrar and Transfer Agents (RTA)

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

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

Distribution of shareholding as on 31st March 2015:

Shareholding (₹-₹)	Shareholders		Share amount	
	Number	%	₹	% of total
Upto 1000	1,630	64.84	559,190	0.54
1001-5000	595	23.67	1,445,620	1.40
5001-10000	95	3.78	756,260	0.73
10001- 20000	69	2.74	1,073,930	1.04
20001-30000	29	1.15	706,570	0.68
30001-40000	10	0.40	337,640	0.33
40001-50000	11	0.44	496,810	0.48
50001-100000	29	1.15	2,250,720	2.17
100001 and above	46	1.83	95,973,260	92.63
Total	2,514	100	103,600,000	100.00

Pattern of Shareholding as on 31st March 2015

Category	No of Shares	% holding
Promoters	7,611,300	73.47
Banks/Financial Institutions	101,297	0.98
NRI's/OCB	52,194	0.50
FII	54,000	0.52
Bodies Corporate	220,138	2.12
Resident & Others	232,1071	22.41
Total	10,360,000	100.00

Dematerialization of shares and liquidity

As at 31.03.2015, 99.81% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange and Bombay Stock Exchange. The Company has not issued any ADRs/GDRs or any convertible bonds.

During the year under review the Board of Directors have allotted 1,25,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 03rd December, 2010 at grant price of ₹44.25 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approvals were obtained from National Stock Exchange on 24th July, 2014 and 24th December, 2014. The paid up share capital of the Company after allotment of 1,25,000 equity shares stands at 10360000 Equity Shares as of 31st March 2015.

Requests to Shareholder

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

Demat of Shares:

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

Registration of Electronic Clearing Service (ECS) mandate:

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

Transfer of shares in physical mode:

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

In terms of SEBI's circular no. MRD/DoP/Cir-05/1009 dated 20th May 2009, it has become mandatory for transferees to furnish a copy of

Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode. In case of loss / misplacement of share certificates, shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / RTA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

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

Registration of Nominations:

Nomination in respect of shares - Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc. It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations.

Shareholders, who have not availed nomination facility, are requested to contact RTA to receive the nomination form. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

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

SMS Alerts:

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

Transfer to Investor Education and Protection Fund:

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

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

Shareholders, who have not encashed their dividend warrants, in respect of dividends declared for the year ended 31st March 2008 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124 of the Companies Act, 2013. Shareholders are requested to note that as per the applicable provisions of the Act, unclaimed dividends, once transferred to IEPF, will not be refunded.

Office Locations:

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, Noida – 201 305, Uttar Pradesh Tel :+91- 0120 – 2462175 Fax : +91-0120 – 2462179	Saksoft Inc., Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302. P: +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: H-50, Sector-63 Noida. 201301 (India) Phone: +91 120 4878300	Threesixty Logica Testing Services Inc. 640 W California Ave Suite 210 Sunnyvale CA 94086 (USA) Phone: +1 925 271-2558

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

Exclusive E-mail ID for redressal of investor complaints:

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

E-mail : complianceofficer@saksoft.co.in / investorqueries@saksoft.co.in
Compliance Officer : Mr.Vivekanandan Babu
Tel Nos : +91 – 44 - 24543500

Compliance with Code of Conduct

The Board of Directors has affirmed compliance with the Code of Conduct for Board of Directors & Senior Management adopted by the Company for the year ended 31st March 2015.

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 of the Company.

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

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2015.

For Saksoft Limited

Place: New Delhi
Date : May 25, 2015

Aditya Krishna
Managing Director

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

To
The members of Saksoft Limited

We have examined the compliance of the conditions of Corporate Governance by Saksoft Limited ("the Company") for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

Place : New Delhi
Date : 25th May, 2015

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

S. Ganesan
Partner
Membership No. 018525

Management discussion and analysis

1.1 Economic overview

As per the IMF's latest *World Economic Outlook*, global growth prospects remain uneven across major economies. In advanced economies, growth is projected to strengthen in 2015 relative to 2014, but in emerging market and developing economies it is expected to be weaker. Overall, global growth is forecast at 3.5 percent in 2015 and 3.8 percent in 2016, broadly the same as last year. But this aggregate number masks the diverse developments

Advanced economies are doing better

Global growth in 2015 will be driven by a rebound in advanced economies – forecast to increase from 1.8 percent last year to 2.4 percent this year – supported by the decline in oil prices. Growth in the United States is projected to exceed 3 percent in 2015-16. Domestic demand will be supported by lower oil prices, more moderate fiscal adjustment, and continued support from an accommodative monetary policy stance, despite the projected gradual rise in interest rates and some drag on net exports from recent dollar appreciation.

After weak second and third quarters in 2014, growth in the euro area is showing signs of picking up, supported by lower oil prices, low interest rates, and a weaker euro. And after a disappointing 2014, a weaker yen and lower oil prices are expected to lead to a pickup of growth in Japan.

Emerging and developing economies will slow

Growth forecasts for most emerging and developing

economies (with the important exception of India) are slightly worse. Growth is projected to slow from 4.6 percent in 2014 to 4.3 percent in 2015. This reflects a variety of factors.

- Oil price declines will sharply slow growth for oil exporters, especially those that also face difficult initial conditions—for example, geopolitical tensions in the case of Russia.
- The Chinese authorities' emphasis on reducing vulnerabilities from recent rapid credit and investment growth will likely cause a further slowdown in investment, particularly in real estate.
- Latin America's outlook will continue to weaken due to lower commodity prices. Brazil's outlook is also affected by a drought, tighter macroeconomic policies, and weak private sector sentiment.

Unlike in advanced economies, windfall gains from lower oil prices are not passed through as directly to consumers in many emerging market and developing oil importers, and this is expected to mute any boost to growth. Instead, the benefits of lower oil prices are expected to accrue more to governments (for example, in the form of savings from lower energy subsidies), and so they may be used to shore up public finances.

Growth in low-income countries as a group, however, has stayed high. Growth is expected to slow only slightly to 5½ percent in 2015, from 6 percent in 2014, and then to rebound in 2016, partly thanks to increased external demand from advanced economy trading partners.

1.2 IT Industry outlook

1.2.1 World IT industry outlook:

Worldwide IT spending is on pace to reach USD 3.8 trillion in 2015, representing a 2.4% increase from 2014. However, this growth rate is down from the earlier projections of 3.9%, according to the latest forecast by Gartner, Inc. The slower outlook for 2015 is largely attributed to a stronger USD and reduced growth expectations for devices, IT services and telecom services.

The USD spending growth rate on devices (including PCs, ultramobiles, mobile phones, tablets and printers) for 2015 declined 1.3 percentage points to 5.1%. Interestingly, the smartphone market is becoming polarized between the high- and low-end market price points. Data center system spending is projected to reach USD 143 billion in 2015, a 1.8% increase from 2014. In the enterprise software market, spending is on pace to total USD 335 billion, a 5.5% increase from 2014. (Source: Gartner) More price erosion and vendor consolidation is expected in 2015 on account of fierce competition between cloud and on-premises software providers.

There could also be increased price

competition from cloud offerings in other areas like database management system (DBMS) and application infrastructure and middleware, albeit at a somewhat slower pace than CRM.

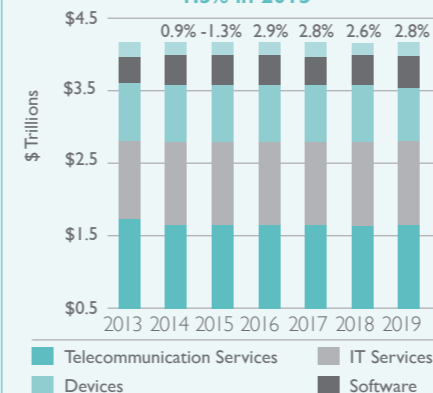
Telecom service spending is projected to grow 0.7% in 2015, with spending reaching USD 1,638 trillion. A multitude of factors affected each national market with the primary growth driver being reduced expectations for mobile voice revenues across several markets in Western and Eastern Europe (Austria and Italy) as a consequence of a declining growth in the sale of new devices in these regions.

Gartner states that the outlook for IT services in 2015 has reduced to 2.5% growth, down from the 4.1% growth forecast in the previous quarter. Globally, reductions to software support services contributed disproportionately to a lower outlook through 2018 because of lower growth rates expected for enterprise software. Regionally, short-term growth rates were lowered slightly in Russia and Brazil due to declining economic conditions and political uncertainty in both countries.

“Technology can play a critical role in enabling transformation in India and add to India's GDP. The domestic market in India is maturing, it was the fastest growing market in the year and Nasscom will look to partner with the government in enhancing technology adoption in the country”

- Som Mittal, President, Nasscom

Dollar value IT spending to decrease -1.3% in 2015



Source: Gartner Market Data Book, 1Q15 Update

Worldwide IT spending forecast

(USD billion)

	2014 spending	2014 growth (%)	2015 spending	2015 growth (%)
Devices	696	3.8	732	5.1
Data Center Systems	141	0.8	143	1.8
Enterprise Software	317	5.8	335	5.5
IT Services	956	2.7	981	2.5
Telecom Services	1,626	-0.1	1,638	0.7
Total	3,737	1.9	3,828	2.4

Source: Gartner, January 2015

The total revenues for the IT industry, including domestic revenues and e-commerce, are expected to touch USD 146 billion in FY15 and USD 165-169 billion in FY16.

Financial year	Projected rate of growth	Revised projections	Actual
FY 11	13-15%	—	18.7%
FY 12	16-18%	—	16.9%
FY 13	11-14%	9-12%	10.9%
FY 14	12-14%	—	13.0%
FY 15	13-15%	—	13.1%*
FY 16	12-14%*	—	—

*Constant Currency

Source: NASSCOM, Media Reports.

1.2.2 Indian IT-BPM sector

As per the NASSCOM in FY15, the Indian IT-BPM (Information Technology-Business Process Management) industry is estimated to account for revenues of USD 146 billion, growing by ~13% y-o-y in constant currency terms. Industry exports are expected to be over USD 98 billion growing at 12.3% y-o-y (reported currency), while the domestic segment, which has benefited from the inclusion of e-commerce and mobile app industry, is estimated to touch USD 48 billion. (This is against the 13-15% estimate that NASSCOM had put out in February last year).

The IT sector is expected to contribute to 9.5% of the GDP in FY15, against 8% of GDP in FY14. For FY16, NASSCOM has projected 12-14% growth in the total IT/BPO exports revenues, with currency volatility and macroeconomic headwinds as the primary challenges going ahead. The total revenues for the IT industry, including domestic revenues and e-commerce, are expected to touch USD 146 billion in FY15 and USD 165-169 billion in FY16.

The Indian IT-BPM (business process management) industry has demonstrated resilience and agility. Technology has today become an integral growth enabler across sectors; the industry is evolving to emerge as a strategic customer partner. Some of the key growth drivers expected to open

opportunities includes smart computing, 'anything'-as-a-service and technology enablement in emerging verticals.

India is the only country that offers a depth and breadth of offerings across different segments – IT services, BPM, engineering and R&D, internet and mobility and software products. As per Nasscom estimates, IT services is a USD 50 billion sector; BPM a USD 20 billion sector; engineering crossed USD 10 billion in size and software products, internet and mobility remain emerging opportunities.

India is emerging as a hub for analytics, mobility, cloud, social collaboration and emerging verticals (healthcare and medical devices). The rapid adoption of the internet and mobile is enhancing entrepreneurship opportunities. The country is creating a strong ecosystem for start-ups, innovation clusters and centres of excellence (CoEs) to build the next generation of global companies.

The size of the Indian IT industry was estimated at USD 118 billion in FY14. Nasscom indicates that the Indian IT industry could add revenues of USD 13-14 billion in 2014-15. The Indian IT industry could grow to about USD 300 billion by 2020 and create different specialised verticals that focus on specific areas (domestic IT market, software products, e-commerce and SMAC, among others).

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 organization; 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

Information Management - Reporting as a Managed Service (RaaS)

Saksoft's Reporting as a Managed Service (RaaS) is a packaged offering satisfying all decision support needs of an enterprise. RaaS will remove the pains of building,

Interesting big data and analytics facts

- Every two days, we create as much information as we did from the beginning of time until 2003
- Over 90% of all data was created in the last two years
- By 2020, the amount of digital information in existence could have grown from 3.2 zettabytes to 40 zettabytes
- The total data being captured and stored doubles every 1.2 years
- Every minute, the world sends 204 mn emails, generates 1.8 mn Facebook likes, sends 278,000 Tweets and upload 200,000 photos to Facebook
- Google processes 40,000 search queries per second and over 3.5 billion in a single day
- Around 100 hours of video are uploaded on YouTube every minute; it will take around 15 years to watch every video uploaded by users in one day
- Facebook users share 30 billion pieces of content between them every day
- If all data created in just one day was saved on DVDs, one could stack them on top of each other and reach the moon – twice over
- AT&T is thought to hold the world's largest volume of data in one unique database – its phone records database is 312 terabytes in size and contains almost 2 trillion rows
- 570 new websites spring into existence every minute every day
- 1.9 mn IT jobs will be created in the US by 2015 to carry out big data projects. Each of those will be supported by three jobs created outside IT –a total of 6 mn new jobs thanks to big data
- Today's data centres occupy an area equal in size to almost 6,000 football fields
- Companies monitoring Twitter to measure 'sentiment' analyze 12 terabytes of tweets every day
- The amount of data transferred over mobile networks increased 81% to 1.5 exabytes (1.5 billion gigabytes) per month between 2012 and 2014
- NSA is thought to analyze 1.6% of all global internet traffic – around 30 petabytes (30 mn gigabytes) every single day
- Information bits stored in the digital universe exceeded the estimated number of stars in the physical universe in 2007
- In 2014, there were over 1.2 billion smart-phones in the world (stuffed full with sensors and data collection features) and the growth is predicted to continue
- The boom of the Internet of Things (IoT) means that the amount of devices that connect to the Internet could rise from about 13 billion today to 50 billion by 2020
- 12 mn RFID tags – used to capture data and track movement of objects in the physical world – had been sold in by 2011. By 2021, it is estimated that number will have risen to 209 billion as the Internet of Things takes off
- By integrating big data analytics into healthcare, the industry could save USD 300 billion a year – the equivalent of reducing healthcare costs of every man, woman and child by USD 1,000 a year
- Retailers could increase profit margins by more than 60% through the full exploitation of big data analytics
- The big data industry is expected to grow from USD 10.2 billion in 2013 to about USD 54.3 billion by 2017

Source: smartcollectedata.com

enhancing, managing and monitoring a reporting environment to strengthen decision-making.

Saksoft's Reporting as a Managed Service (RaaS) helps organizations generate actionable insights through data management, operational reporting, strategic reporting and CXO Dashboards as on-premise services. Besides, it packages Consulting services, Insight services and Integrated services in all phases for global clients.

Information Management – Business Intelligence, Data Warehousing and BO Migration

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

Saksoft has developed a data warehouse development and deployment methodology. This incorporates an iterative design and development approach that has proved successful among clients.

Saksoft delivers value to clients by driving user productivity, self-service, exploitation of the value of existing investment into SAP Business Objects and migrates and upgrades to latest releases. Saksoft possesses the experience of building BO Migration solutions using latest technologies; it has developed different phases comprising assessment, planning, migration, validation and training for clients.

Information Management –Mobile Application Development

'Information on the go' is a priority that has strengthened growth in the use of smartphones and mobile applications. Saksoft sees abundant opportunities in mobile

applications development. To keep with the latest trend in business and consumer-centric mobile applications, Saksoft added Mobile Application Development to its service offerings.

Saksoft focuses on new technologies, domain knowledge and support, delivering products of high standard and quality. Your Company has built a strong mobile development team, capable of working across all platforms such as iPhone Application Development, Android, Windows Mobile Application, Blackberry and all J2ME-based devices.

Saksoft provide enterprises and partners access to corporate data and provide work flows, BI applications and shared workspaces using mobile devices. The Company partnered SAP, a renowned market and technology leader in business management software, and this partnership has opened up new horizons and capabilities for Saksoft in SUP Hybrid Web Container applications and SUP Native Apps (iPhone, iPad, Android and Blackberry). Your Company built a dedicated team of professionals capable of providing services on a project basis or on a resource augmentation basis.

Saksoft implemented a path-breaking mobile application for a housing group in the UK, which was praised for features, ability to provide seamless workflows and outstanding UI design. The Company received the runners-up award for the 'Development and Marketing of the Community Housing Group App' from SAP, its mobility technology partner. It expects to replicate the housing application across similar groups and enhance revenues.

Saksoft has gone way ahead in offering clients custom-based mobile applications of ERP, CRM and BI dashboards besides offering conversion of web pages into mobile device-compatible versions across advanced platforms.

Independent testing

Saksoft is a specialized provider of

software services and staffing to the banking and financial services industry (BFSI). The Company's expertise in testing methodologies and tools, combined with domain knowledge, provided a substantial cost reduction, enhanced revenue generation and improved customer satisfaction from the use of custom-built financial software solutions.

Your Company possesses a strong process orientation resulting in quality solutions while performing the following types of testing services:

- Data warehouse testing
- Functional and regression testing
- Business process and site content testing
- Security testing
- Usability and reliability testing
- Performance and load testing
- Mobile application testing
- Cloud-based testing

At Saksoft, we enjoy a proven track record in working with global, multi-location clients and cross-cultural teams.

Web Application Services

Saksoft enjoys a wide range of software application services to cater to client needs. The Company adopted new innovative engineering concepts to create state-of-the-art services for customers.

Custom development: The Company specializes in custom-build application-based on specifications. We provide scalable, flexible and extensible architectures that can support any business. We have pre-defined processes to serve diverse with custom software development.

Managed Services: The Company's framework for managed services comprises scope management, pricing models, governance, reporting mechanisms and delivery structures.

Enterprise Integration: The Company is ready to implement frameworks available for

different integration scenarios, like cloud-to-cloud or cloud-to-on-premise or on-premise to on-premise. It possesses an expertise in open-source and licensed EI products.

Legacy Transformations: The Company provides end-to-end transformation for

legacy applications. Over time, it devised a process which can modernize applications. Saksoft's implementation approach comprises the following steps:

- Assess
- Roadmap definition

- Analysis/design
- Build
- Test
- Deploy
- Post-production support

2.3 Company Partnerships

SAP

Acuma (UK entity of the Saksoft Group) is a Gold Partner of SAP- Business Objects. Saksoft group is one of its successful resellers, providing education, technical support and consultancy services through this partnership.

Jaspersoft

Saksoft and Jaspersoft provide a complete spectrum of on-premise, multi-tenant SaaS and cloud-based deployment options for embedded and standalone Business Intelligence. Saksoft is also a value-added reseller and a UK-authorized Jaspersoft training provider. The Company also offers end-to-end Jaspersoft services spanning licenses, consultancy, support and education.

Logi Analytics

Logi Analytics enables organisations to put information to work by allowing them to create web-based BI and analytic applications that can be integrated directly within the applications, systems and processes that support their business.

Saksoft possesses the knowledge and experience of deploying, enhancing and personalising Logi Analytics installations. Saksoft and Logi Analytics enable organisations to rapidly develop, deploy and adapt applications to serve business users without extensive development or professional services.

Birst

Acuma is a Champion Partner of Birst and

brings valuable experience and expertise to the Birst solution. Acuma and Birst's combined approach brings Agile Business Analytics to clients. Combined, we offer a single place to manage all or any of the organisation's analytics along with the agility to answer questions that span departments, data sources and deployments.

Qlik

Saksoft is a solution services partner for Qlik. QlikView is the leading Business Discovery Platform, providing user-driven business intelligence to a variety of organizations worldwide. QlikView makes data associative, creating easily-understandable visual relationships across multiple, complex data sources. It is also mobile, social and collaborative.

2.4 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.

2.5 Quality assessments

Saksoft maintains high 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.

2.6 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 organisational momentum.

The Saksoft group's headcount stood at 685 as on 31 March 2015. 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.

2.7 Corporate social responsibility

Sustainability is part of Saksoft's DNA. It's not just something we do—it's the way it does business. Our efforts in the realm of CSR are mediated towards such key areas as ethical governance, product responsibility, diversity and inclusion, community involvement and environmental stewardship. Striving to be a good corporate citizen and ensuring the long-term success of Saksoft are, in the end, the same goal.

During the fiscal gone by, representatives from HR and delivery teams donated crayons, drawing books using cash collected from the Noida centre. They spent time at the Shankara Special School, a school for differently-abled children.

A clothing drive was held in Chennai to donate clothing to Helpage India, an NGO working for the cause and care of disadvantaged elder people.

Employees from the HR and delivery teams participated in the Christmas celebrations held at a Vuyiroli, an old age home in Chennai. The team bonded with the residents, played games and distributed cakes.

Acuma, Saksoft's UK subsidiary in tow with the Company, is involved in a programme which identifies candidates from the local job centre and provides them with real-time work experience for six weeks. This has resulted in a number of these interns bagging jobs at local companies.

Free internships for six months are provided twice a year to two students whose annual

family incomes are upto ₹5 lacs. As much as 50% of the internships are reserved for women candidates.

The Company supports the United Nations Women & Care India initiative in line with the Women's Empowerment Principles which offer guidance on how to empower women in the workplace, marketplace and community. They are the result of collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. The Company is a signatory of the Women's Empowerment Principles which showcase the fact that Saksoft as an organisation believes in the need to provide women with a holistic environment for growth and development both for themselves as well as the organisation and the society.

The Paperman initiative was introduced in May 2014 and helped an economically disadvantaged but deserving student, Swapna, to stay in school and maintain her commendable academic record. The e-waste contributions Saksoft made towards the NGO Nanhi Kali were sold and the money in turn helped Swapna to pursue her studies.

An intern from the SOS Children's Villages of India, Chatnath Homes, and a voluntary organisation looking after destitute, abandoned and orphaned children since 1979 was selected for a six month-long internship with the Saksoft delivery team.

The total revenues for the IT industry, including domestic revenues and e-commerce, are expected to touch USD 146 billion in FY15 and USD 165-169 billion in FY16.

3.0 Opportunities and risks

3.1 Opportunities

Saksoft intends to focus on the following opportunities:

- Acquire competencies in the business integration space
- Enhance automation as well as manpower utilisation
- 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

3.2 Risks and concerns

Saksoft recognises the need to control and limit risk faced in the everyday course of business. The Company is exposed to diverse (financial, industry and economy, policy and regulatory, among others). Saksoft manages these through its institutionalized risk management policies designed to mitigate their impact. The Company's risk management framework ensures, among

others, compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service areas and functions. It has procedures to inform Board Members about the risk assessment and minimisation processes. These processes are periodically reviewed to ensure that the management of the Company's control risks is run through a well-defined framework.

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

4.0 Review of our key financials (consolidated)

Income from operations: Saksoft's financials reflect growth across market cycles with a 20% growth in PBT to ₹227mn in 2014-15.

₹ mn		
Metric	2013-14	2014-15
Income from operations	2,243	2,314
EBIDTA	245	282
Cash profit	166	187
Net profit	149	167
Earnings per share (₹)	15.54	17.12

EBIDTA: The Company's EBIDTA increased from ₹245mn in 2013-14 to ₹282mn. EBIDTA margin stood at 15% during the year under review.

Tax: The Company's effective tax rate stood at 23% in 2014-15 and tax provisions during the year was ₹53mn.

Net profit: The Company's net profit increased from ₹149mn in 2013-14 to ₹167mn in 2014-15, a creditable achievement in a challenging business environment.

Dividend: The Company proposed a dividend of 25% for 2014-15 (₹2.50 per share of face value of ₹10), consistent with our strategy of maintaining dividend payouts of between 20-25%.

Share capital: The Company's paid-up share capital stood at ₹103.60mn on 31 March 2015, against ₹102.35mn 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.

Saksoft's financials reflect growth across market cycles with a 20% growth in PBT to ₹227mn in 2014-15.

Risk Management

Overview

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

Structure of our Risk Management

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

Level	Key roles and Responsibilities
Board of Directors	Oversight the risk management performed by the Executive Management.
Risk Management Committee	Comprises of Executive Management viz, 1. Aditya Krishna – Managing Director 2. Dhiraj Mangla – Executive Vice President and Global Delivery Head 3. Niraj Kumar Ganeriwal – Chief Financial Officer
Role of Risk Management Committee	<ul style="list-style-type: none">Assisting the Board on identification of risk factorsEvaluation of Operational, Strategic and External Risk elements.Mitigation of RiskMonitoring the Risk Management practicesPeriodic reviewing of Risk assessmentFormulation and deploying Risk Management policiesProviding updates to the Board from time to time

Categories of Risk

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

Economy

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

Business

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

Currency volatility

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

People

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

Management perception of Risk Management:-

Risk identification

Identifying the risk forms the fulcrum of the risk management process since all our efforts are being tailored in countering and eliminating

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

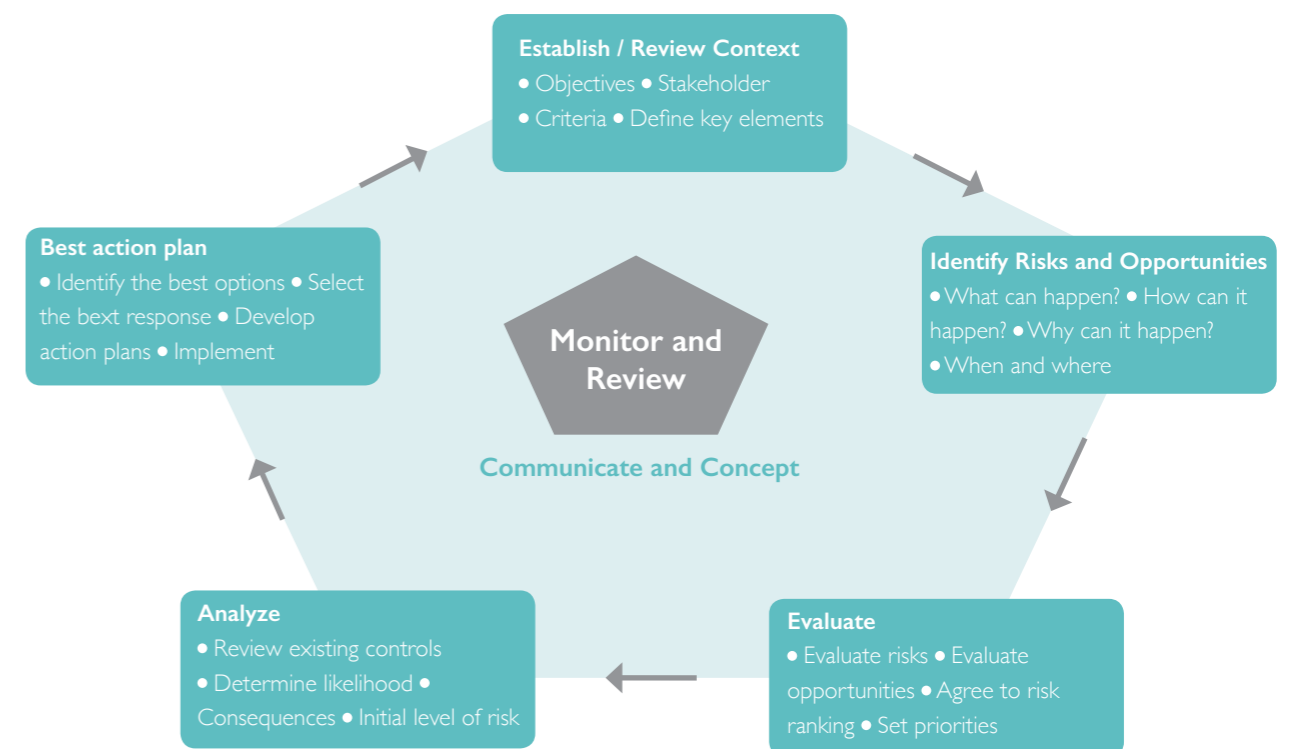
Risk Measurement

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

Risk Reporting

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

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



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

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

Risk assessments and review

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

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

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, 2015, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
- As required by Section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- 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.
- 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.
- 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.
- On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note 23(a) to the standalone financial statements.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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 : New Delhi
Date : 25th May, 2015

Membership No. 018525

Annexure to the Auditors' report

(Referred to in our report of even date)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) (a) and (b) of the Order is not applicable.
- (iv) The company has adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of fixed assets and for sale of services. During the course of audit, we have not observed any major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the activities of the Company.
- (vii) a. 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 CIT(A)-VI Chennai.
Income Tax Act, 1961	Income tax dues	5,186,058	Nil	Financial year 2009-10	Appeal filed before the CIT(A)-VI 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	6,403,866	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.

- c. In our opinion and according to the information and explanation given to us, the amount required to be transferred to Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) 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.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from Banks are not prejudicial to the interest of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans availed by the Company have been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- For Suri & Co.**
Chartered Accountants
Firm Registration No. 0042835
- S. Ganesan**
Partner
Membership No. 018525
- Place : New Delhi
Date : 25th May, 2015

Balance Sheet as at 31 March 2015

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

	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	103.60	102.35
(b) Reserves and Surplus	3	465.01	435.32
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	296.49	221.12
(b) Long-Term Provisions	5	7.66	10.04
(3) Current Liabilities			
(a) Short-Term Borrowings	6	-	19.50
(b) Trade Payables		26.30	18.13
(c) Other Current Liabilities	7	30.61	15.89
(d) Short-Term Provisions	8	49.07	42.41
		978.74	864.76
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	8.90	12.59
(ii) Intangible Assets	10	1.41	5.55
(b) Non-Current Investments	11	800.77	624.67
(c) Deferred Tax Assets (Net)	12	16.04	14.37
(d) Long term Loans and Advances	13	8.64	6.27
(2) Current Assets			
(a) Current Investments	14	-	13.59
(b) Trade Receivables	15	88.78	149.28
(c) Cash and Bank Balances	16	28.46	5.00
(d) Short-Term Loans and Advances	17	22.79	31.73
(e) Other Current Assets	18	2.95	1.71
		978.74	864.76
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
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015
Place: New Delhi

Statement of Profit and Loss for the year ended 31 March 2015

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

	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
I. Revenue from Operations			
Sale of services		466.05	439.39
II. Other Income	19	14.27	19.37
III. Total Revenue (I+II)		480.32	458.76
EXPENSES			
Employee benefits expense	20	217.71	219.79
Finance Costs	21	35.00	26.39
Depreciation and amortization expense		11.09	13.96
Other expenses	22	133.96	121.09
IV. Total Expenses		397.76	381.23
V. Profit before exceptional and extraordinary items (III-IV)		82.56	77.53
VI. Exceptional Items		-	-
VII. Profit before extraordinary items		82.56	77.53
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT)		82.56	77.53
X. Tax Expense:			
(a) Current Tax		27.00	23.20
(b) Deferred Tax		(1.66)	(0.46)
XI. Profit/ (loss) for the period [Profit After Tax (PAT)]		57.22	54.79
XII. Earnings per equity share of ₹10 each (in ₹)			
(1) Basic		5.86	5.70
(2) Diluted		5.47	5.36

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
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015
Place: New Delhi

Cash Flow Statement for the year ended 31 March 2015

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

	Year ended March 31, 2015	Year ended March 31, 2014
A CASH FLOWS FROM OPERATING ACITIVITIES		
Profit after tax:	57.22	54.79
Adjustments for:		
Tax expense for the year	25.34	22.74
Depreciation & amortisation	11.09	13.96
(Profit)/Loss on sale of fixed assets, net	(0.27)	(0.34)
(Profit)/Loss on sale of Investments	(4.64)	(0.81)
Interest and other Income	(0.83)	(0.23)
Dividend Income	(0.66)	(12.58)
Interest and Finance charges	35.00	26.39
Unrealised foreign exchange loss/ (gain) , net	0.42	4.01
Operating Profit before working capital changes	122.67	107.93
(Increase)/decrease in sundry debtors	60.35	(21.98)
(Increase)/decrease in other current assets, loans and advances	(1.22)	(20.37)
Increase/(decrease) in current liabilities and provisions	24.23	22.84
Cash generated from operations	206.03	88.42
Taxes paid, net	(24.70)	(26.97)
Net cash flow from operating activities	181.33	61.45
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset	(3.77)	(7.63)
Fixed Assets transferred pursuant to scheme of amalgamation	-	(6.52)
Proceeds from sale of Fixed assets	0.27	0.34
Interest and other Income	0.83	0.23
Sale / (Purchase) of Current Investments , (net)	13.59	(13.59)
Sale / (Purchase) of Non current Investments , (net)	(167.26)	16.39
Adjustment of Investment pursuant to scheme of amalgamation	-	24.10
Dividend income Received	0.66	12.58
Net cash flow from Investing activities	(155.68)	25.90

Cash Flow Statement for the year ended 31 March 2015

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

	Year ended March 31, 2015	Year ended March 31, 2014
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) of borrowings	55.89	(42.66)
Interest and Finance charges	(35.00)	(26.39)
Surplus on account of amalgamation	-	2.93
Proceeds from allotment of shares	5.53	3.10
Dividend paid	(28.26)	(23.79)
Net cash flow from Financing activities	(1.84)	(86.81)
D EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	(0.35)	0.53
Net (Decrease)/ Increase of cash and cash equivalents (A+B+C+D)	23.46	1.07
Cash and cash equivalents at the beginning of the year	5.00	3.93
Cash and cash equivalents at the end of the year	28.46	5.00

Vide our report of even date attached

For and on behalf of the Board of Directors

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

Aditya Krishna
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25 , 2015
Place: New Delhi

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence & 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-I: 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.

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,

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note-I: Significant accounting policies (Continued)

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.

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

i. Revenue recognition

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

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

In case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts on percentage of completion basis.

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

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

Interest income is recognized on the time proportionate method.

j. Employee benefits

Provident Fund

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

Gratuity

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

Compensated Absences

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year and leave is not allowed to be encashed. At the end of the financial year, the Company accounts for the remaining short term compensated absences.

k. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the



Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note- I: Significant accounting policies (Continued)

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.

I. 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.



Notes forming part of the Financial Statements for the year ended 31 March 2015

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

	As at March 31, 2015	As at March 31, 2014
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:		
10,360,000 Equity Shares of ₹10 each	103.60	102.35
Total	103.60	102.35
(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	10,235,000	10,165,000
Add: Shares allotted to employees pursuant to ESOP 2009	125,000	70,000
Outstanding as at the end of the year	10,360,000	10,235,000

(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, 2015		As at March 31, 2014	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	3,673,070	35.45%	3,673,070	35.89%
2	Sak Industries Private Limited	3,000,000	28.96%	3,000,000	29.31%
3	Saksoft Employees Welfare Trust	554,960	5.36%	554,960	5.42%
	Total	7,228,030	69.77%	7,228,030	70.62%

(E) Shares reserved for issue under options and contracts [Refer Note - 23(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	250,000 Options (PY: 305,000 Options)	Employees	ESOP 2009

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 3: Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	-
Add: Amount transferred from transferor company pursuant to scheme of amalgamation	-	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	80.46	74.48
Add: Additions during the year		
- On issue of Shares	4.28	2.40
- Amount transferred from transferor company pursuant to scheme of amalgamation	-	3.58
Closing balance	84.74	80.46
(C) Other Reserves:		
(i) General Reserve		
Opening Balance	40.72	36.10
Add: Additions during the year		
- Amount transferred from Surplus in Statement of Profit and Loss	5.72	5.48
- Amount transferred from transferor company pursuant to scheme of amalgamation		0.50
Less : Difference in book value of investment in transferor company adjusted pursuant to scheme of amalgamation		(1.36)
Closing Balance	46.44	40.72
(D) Surplus in Statement of Profit and Loss		
Opening balance	313.93	292.88
Less: Adjustment for carrying amount of assets as required by Schedule II of Companies Act 2013 (Refer Note no. 23 k.)	(0.49)	
Add: Additions during the year		
- Profit for the year	57.22	54.79
- Surplus transferred from transferor company pursuant to scheme of amalgamation	-	22.10
Less : Difference in book value of investment in transferor company adjusted pursuant to scheme of amalgamation	-	(22.10)
Total	370.66	347.67
Appropriations :		
- Transfer to General Reserve	5.72	5.48
- Proposed Dividend -	25.90	25.83
Amount per Share ₹2.50 (Previous year - ₹2.50 per Share)		
- Tax on proposed Dividend	5.42	2.43
Total	37.04	33.74
Net Surplus in Statement of Profit and Loss	333.62	313.93
	465.01	435.32

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 4: Long Term Borrowings		
(A) Term Loans		
From Banks - Secured		
Secured by hypothecation of vehicle purchased	-	0.16
Repayment Terms:		
Principal amount repayable as per the EMI		
Schedule given by the bank with an interest rate of 10.50%		
Period and amount of continuing default: NIL		
From Banks - Secured	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 12 equal Quarterly installments commencing from March 2016		
Rate of interest : 11.25%		
Period and amount of continuing default: NIL		
(B) Loans and Advances from Related Parties		
Unsecured		
From Sak Industries Private Limited	185.00	220.00
Repayment Terms:		
The Loan is repayable in full by 9th September 2016.		
Period and amount of continuing default: NIL		
(C) Long Term Maturities of Finance Lease Obligations		
Secured by hypothecation of cars taken on lease	1.49	0.96
	296.49	221.12

Note 5: Long Term Provisions

Provision for Gratuity	4.21	4.79
Rent Straight lining	3.45	5.25
	7.66	10.04

Note 6: Short Term Borrowings

Loans repayable on demand		
From Banks - Secured		
Secured by first charge on the current assets, unencumbered movable fixed assets of the company and the personal guarantee of the Managing Director	-	19.50
Period and amount of default: NIL		
Total	-	19.50

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 7: Other Current Liabilities		
Current maturities of long term loans	10.16	0.90
Current maturities of finance lease obligations	1.25	0.80
Income received in advance	4.92	9.55
Unclaimed Dividend	0.23	0.25
Other payables:		
Tax deducted at source	3.37	2.79
Provident Fund	1.74	1.60
Others *	8.94	-
	30.61	15.89

* Amount payable to shareholders of Three Sixty Logica Testing Services Private Limited pursuant to share purchase agreement.

Note 8: Short Term Provisions

Employee benefits	15.95	13.54
Rent Straight lining	1.80	0.61
Provision for proposed dividend (including dividend distribution tax)	31.32	28.26
	49.07	42.41

Notes forming part of the Financial Statements for the year ended 31 March 2015

(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, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	As at March 31, 2014	Deductions during the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
1. Plant & Machinery									
- General Plant and Machinery									
- Owned	10.36	-	-	10.36	9.87	-	10.21	0.15	0.49
2. Furniture & Fittings									
- General Furniture and Fittings	15.47	0.03	1.32	14.18	15.46	1.32	14.14	0.04	0.01
3. Motor Vehicles									
- Owned	3.47	0.12	0.09	3.50	1.32	0.70	1.93	1.57	2.15
- Leased	4.19	2.29	1.71	4.77	2.49	1.48	2.26	2.51	1.70
4. Electrical Installations and Equipment									
- Owned	7.02	-	-	7.02	7.02	-	7.02	-	-
5. Computers and data processing units									
- Owned	38.46	0.38	-	38.84	33.91	2.81	36.72	2.12	4.55
6. Office equipments									
- Owned	31.11	0.92	-	32.03	27.42	2.10	29.52	2.51	3.69
Total	110.08	3.74	3.12	110.70	97.49	7.43*	101.80	8.90	12.59
Previous year	105.36	6.79	2.07	110.08	90.16	9.40	97.49	12.59	

* - 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 Amortisation			Net Carrying Amount		
	As at March 31, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	As at March 31, 2014	Deductions during the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
1. Computer software									
- Acquired	21.37	0.02	-	21.39	15.82	-	19.98	1.41	5.55
2. Intellectual property rights									
- Acquired	4.50	-	-	4.50	4.50	-	4.50	-	-
Total	25.87	0.02	-	25.89	20.32	-	24.48	1.41	5.55
Previous year	14.26	11.61		25.87	15.76	-	25.32	5.55	

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	Face value (fully paid up)	As at March 31, 2015		As at March 31, 2014	
		No. of shares / units	Cost	No. of shares / units	Cost
Note 11: Non-Current Investments					
Trade Investments - Unquoted					
1. Equity Shares					
(i) In subsidiary companies					
Saksoft Inc, USA	USD 1	195,000	9.24	195,000	9.24
Saksoft Pte Limited, Singapore	SGD 1	555,002	19.17	555,002	19.17
Saksoft GmbH, Germany	EUR 1	50,000	3.01	50,000	3.01
Saksoft Solutions Limited, United Kingdom	GBP 1	5,001,000	434.45	5,001,000	434.45
ThreeSixty Logica Testing Services Private Limited	INR 10	5,100	206.67	-	-
Saksoft FR (France)	EUR 1	50,000	4.26	-	-
(ii) In Joint Venture					
Sofgen Testing Services Pvt Ltd	INR 10	-	-	5,000	0.05
		5,856,102	676.80	5,806,002	465.92
2. Preference Shares					
(i) In Subsidiary Company					
5% redeemable preference shares					
Saksoft Solutions Limited (SSL), United Kingdom#	GBP 1	1,426,000	123.97	1,826,000	158.75
		1,426,000	123.97	1,826,000	158.75
Total			800.77		624.67

400,000 preference shares have been redeemed by SSL during the year

Particulars	As at March 31, 2015	As at March 31, 2014
Note 12: Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	10.47	9.94
Retirement Benefits	3.83	2.44
Other tax disallowances	1.74	1.99
	16.04	14.37

Note 13: Long Term Loans and Advances

(A) Security Deposits		
(i) Unsecured, Considered good	8.37	6.00
(B) Related Party		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	8.64	6.27

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares / units	Cost	No. of shares / units	Cost
Note 14: Current Investments				
Non Trade - Unquoted				
In Liquid Mutual Fund Units				
Opening balance	13 573	13.59	-	-
Add: Investments transferred pursuant to scheme of amalgamation	-	-	8,440	8.45
Additions during the year	1,353,832	136.61	7,929	7.94
Deletions during the year	(1,367,405)	(150.20)	(2,796)	(2.80)
Total	-	-	13,573	13.59
Aggregate fair value of unquoted investments				
Current year (31 March 2015)		Nil		
Previous year (31 March 2014)		13.60		

Particulars	As at March 31, 2015	As at March 31, 2014
Note 15: Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	3.35	1.90
	3.35	1.90
(B) Others		
(i) Unsecured, Considered good	85.43	147.38
	85.43	147.38
	88.78	149.28

Note 16: Cash and Bank Balances

(A) Balance with Banks		
(i) Balance in Current account	14.44	4.52
(ii) In Deposit accounts		
- With Maturity within 12 months	-	0.04
- With Maturity after 12 months	0.20	0.16
(iii) In Deposit accounts with Bank		
- Held as Security against Guarantee given	13.55	-
(iv) Unpaid dividend accounts	0.23	0.25
(B) Cash on hand	0.04	0.03
	28.46	5.00

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 17: Short Terms Loans and Advances		
Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	15.92	18.21
Balance with service tax authorities	3.28	4.09
Prepaid Expenses	2.77	2.40
Employee Advances	0.28	2.23
Advance to suppliers	0.54	0.54
Advance towards share capital of Saksoft Fr.	-	4.26
	22.79	31.73

Note 18: Other Current Assets

Interest accrued but not due on fixed deposits	0.17	0.04
Unbilled Revenue	2.78	1.67
	2.95	1.71

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Note 19: Other Income		
(A) Income from investments		
Dividends	0.66	12.58
	0.66	12.58
(B) Others		
Exchange Fluctuation (net)	5.20	4.98
Interest income	0.83	0.23
Profit on Sale of Assets	0.27	0.34
Profit on Sale / redemption of investments	4.64	0.81
Bad debts recovered	0.64	-
Creditors no longer payable written back	1.67	-
Miscellaneous Receipts	0.36	0.43
	13.61	6.79
	14.27	19.37

Note 20: Employee Benefits Expense

Salaries and wages	201.74	204.57
Contribution to Provident and other funds	10.47	10.24
Staff Welfare Expenses	5.50	4.98
	217.71	219.79

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Note 21: Finance Costs		
Interest Expense	26.01	24.97
Other borrowing cost	8.99	1.42
	35.00	26.39

Note 22: Other Expenses

Rent	20.86	18.07
Travel and conveyance	26.75	25.77
Insurance	0.68	0.77
Rates and Taxes	0.87	0.21
CSR Expenditure	1.20	-
Power and Fuel	12.00	13.52
Repairs to Buildings	9.03	8.86
Repairs to Plant	1.75	1.47
Communication Expenses	3.78	3.99
Payment to statutory auditors		
- As Auditors	0.80	0.70
- For Tax Audit	0.23	0.24
- For Certification	0.26	0.20
- For Taxation matters	0.08	0.08
- reimbursement of expenses	0.06	0.05
Subcontracting / Third party charges	41.02	41.62
Legal, Professional and consultancy charges	11.78	1.86
Advertisement, Publicity and Sale Promotion	0.86	0.71
Miscellaneous expenses	1.95	2.97
	133.96	121.09

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes

a. Contingent Liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
1. Income-tax matters	36.15	27.97
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, 2015	As at March 31, 2014
Future obligations for assets taken on lease		
Not later than 1 year	1.67	1.07
Later than 1 year but not later than 5 years	1.65	1.12
	3.32	2.19
Less: Amounts representing future interest		
Not later than 1 year	0.42	0.27
Later than 1 year but not later than 5 years	0.16	0.17
	0.58	0.44
Present value of minimum lease rentals		
Not later than 1 year	1.25	0.80
Later than 1 year but not later than 5 years	1.49	0.95
	2.74	1.75

c. Earnings in foreign currency

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income from software services	365.19	308.81
Dividend Income	-	11.50

d. Expenditure in foreign currency

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, travel and other expenses	22.22	23.93

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

e. Related party disclosures

Enterprises in which key management personnel exercise significant influence

Sak Industries Private Limited
Sak Industries Inc
Sak Abrasives Inc
Sakserve Private Limited
Saksoft Employees Welfare Trust
Saksoft Employees Gratuity Trust
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 Narayan S-Company Secretary (Resigned on 4th Nov 2014)
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, 2015	Year ended March 31, 2014
Revenues		
Acuma Solutions Limited, United Kingdom	76.30	78.84
Saksoft Inc, USA	230.64	221.62
Saksoft Pte Limited, Singapore	6.16	8.36
Dividend Income		
Saksoft Pte Limited, Singapore	-	11.50
Reimbursement of expenses (Net)		
Acuma Solutions Limited, United Kingdom	0.12	0.82
Saksoft Inc, USA	0.14	2.96
Saksoft Pte Limited, Singapore	0.01	0.33
Sak Abrasives Limited	-	0.93
Sak Industries Pvt Ltd	0.87	-
Rent Expense		
Sak Industries Private Limited	6.84	6.84
Dividend paid		
Sak Industries Private Limited	7.50	6.00
Managing Director	9.18	7.35

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

e. Related party disclosures (Continued)

Transactions entered during the year

Description	Year ended March 31, 2015	Year ended March 31, 2014
Interest on loan		
Sak Industries Private Limited	21.42	23.91
Borrowings/(Repayment), net		
Sak Industries Private Limited	(35.00)	(30.00)
Asset Purchase		
Sak Industries Private Limited	-	0.33
Investment/(Redemption) made during the year		
Investment in ThreeSixtyLogica Testing Services Pvt Ltd	206.67	-
Investment in Saksoft FR SARL	4.26	-
Investment in Saksoft GmbH	-	1.81
Redemption of 5% Redeemable Preference shares of Saksoft Solutions Limited, United Kingdom	(39.41)	(17.39)
Remuneration		
Managing Director	3.00	3.00
Chief Financial Officer	3.49	3.23
Company Secretary	0.96	0.85
Employee remuneration	0.61	-
Director Commission	-	-
Sitting Fees-Director	0.06	-
Shares allotted under ESOP (2009 scheme)		
Chief Financial Officer	40,000	20,000

Year end balances

Description	Year ended March 31, 2015	Year ended March 31, 2014
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	558.42	593.20
Sofgen Testing Services Private Limited, India	-	0.05
Saksoft FR SARL, France	4.26	-
ThreeSixtyLogica Testing Services Pvt Ltd, India	206.67	-
Receivables		
Acuma Solutions Limited, United Kingdom	3.15	9.38
Saksoft Inc, USA	50.85	111.43
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	220.00

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

f. Segment information

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

Geographic location of customers	Year ended March 31, 2015	Year ended March 31, 2014
Revenue		
India	152.95	130.55
United Kingdom	76.30	78.84
USA	230.64	221.62
Singapore	6.16	8.38
	466.05	439.39

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, 2015	Year ended March 31, 2014
Change in Defined Benefit Obligation		
Opening defined benefit obligation	9.57	10.25
Current service cost	2.15	2.49
Interest cost	1.05	0.97
Actuarial losses/ (gain)	(0.32)	(1.94)
Past service cost	-	-
Benefits paid	(1.23)	(2.20)
Closing defined benefit obligation	11.22	9.57
Change in fair value of assets		
Opening fair value of plan assets	4.78	3.53
Pursuant to scheme of amalgamation	-	0.22
Expected return on plan assets	0.42	0.34
Actuarial gain/ (losses)	(0.04)	(0.10)
Contribution by Employer	3.30	3.00
Withdrawn by Employer	(0.22)	-
Benefits paid	(1.23)	(2.21)
Closing fair value of plan assets	7.01	4.78
Liability recognised in the balance sheet	4.21	4.79
Expense recognized in the profit and loss account		
Current service cost	2.15	2.49
Interest cost on defined benefit obligation	1.05	0.97
Expected return on plan assets	(0.42)	(0.34)
Net Actuarial losses / (gains) recognised in a year	(0.29)	(1.83)
Part service cost	-	-
Net gratuity cost	2.49	1.29
Actual return on plan assets	0.38	0.24
Assumptions		
Discount rate	8.00%	9.35%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	7%

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

g. Gratuity (Continued)

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

Experience Adjustments

Particulars	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Defined Benefit Obligation	9.51	9.83	10.25	9.57	11.22
Plan Assets	2.16	2.60	3.53	4.78	7.01
Surplus/(Deficit)	(7.35)	(7.22)	(6.72)	(4.79)	(4.21)
Exp.Adj.on Plan Liabilities	(1.54)	(1.34)	(2.28)	(0.83)	(1.42)
Exp.Adj.on Plan Assets	(0.31)	(0.06)	(0.16)	(0.10)	(0.04)

h. Employee Stock option plans ('ESOP')

ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan issued in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is administered by the Saksoft Employees Welfare Trust ('the Trust') through the compensation committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company has allotted 582,460 equity shares of ₹10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 27,500 options under this Plan and accordingly, 554,960 equity shares of ₹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, 2015	Year ended March 31, 2014
Options outstanding at the beginning of the year	200,000	200,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options forfeited during the year	-	-
Options lapsed during the year	(100,000)	-
Options outstanding at the end of the year	100,000	200,000

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan issued in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 received the consent of the shareholders in December 2009. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years.

The plan considers an aggregate of 1,000,000 options to be vested 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 2015 is 250,000 options.

During the year the Board of Directors have allotted 125,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of ₹44.25 per option under ESOP 2009

Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

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

plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 24th July 2014 for 95,000 shares and 24th December 2014 for 30,000 shares. The paid up share capital of the Company after allotment of 125,000 equity shares stands at 10,360,000 Equity Shares as of 31st March 2015

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & Subsidiary, 50,000 options on 8th July 2014 at a grant price of ₹93/- and 100,000 options on 26th September 2014 at a grant price of ₹138.70/-.

The details of the ESOP 2009 Plan are:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Options outstanding at the beginning of the year	305,000	375,000
Options granted during the year	150,000	50,000
Options exercised during the year	(125,000)	(70,000)
Options forfeited during the year	-	-
Options lapsed during the year	(80,000)	(50,000)
Options outstanding at the end of the year	250,000	305,000

i. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Earnings		
Net profit for the year	57.22	54.79
Shares		
Equity shares as at the balance sheet date	10,360,000	10,235,000
Less: Shares held by Saksoft employees welfare trust	554,960	554,960
Total number of equity shares the end of the year – Basic	9,805,040	9,680,040
Weighted average number of equity shares outstanding as at the end of the year – Basic	9,757,588	9,613,876
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year:	9,757,588	9,613,876
Add: Shares held by Saksoft employees welfare trust	554,960	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	151,872	49,522
Weighted average number of equity shares outstanding during the year – Diluted	10,464,420	10,218,358
Earnings per share of par value ₹10 – Basic (₹)	5.86	5.70
Earnings per share of par value ₹10 – Diluted (₹)	5.47	5.36



Notes forming part of the Financial Statements for the year ended 31 March 2015

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

Note 23: Additional notes (Continued)

- 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 31.03.2015. There are no overdue principle amounts and therefore no interest is paid or payable.
- k. The company has adopted useful lives of fixed assets in line with the Companies Act 2013 with effect from 1st April 2014 for providing depreciation. The depreciation for the year ended is higher by ₹0.77 million respectively with consequential effect on Profit Before Tax by this amount. The amount of depreciation charged to retained earnings is ₹0.49 million.
- l. Prior year figures have been regrouped, wherever necessary, to conform to the current year's classification.

As per our report attached

For and on behalf of the Board of Directors

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

Aditya Krishna
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25 , 2015
Place: New Delhi



Consolidated financial statements

Independent Auditor’s Report

To
The Members of
Saksoft Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Saksoft Limited(hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2015, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating

effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report we draw attention to note number 22 (j) of the notes forming part of consolidated financial statements in respect of remuneration paid by Three Sixty Logica Testing Services Private limited, a subsidiary of the holding company, to its Directors, which is in excess of limits specified under Section 197 of the Companies Act 2013 for which application has been made to the Central Government.

Other Matters

We did not audit the financial statements / financial information of 6 subsidiaries, whose financial statements/financial information reflect total assets of ₹1898.27 million as at 31st March, 2015, total revenues of ₹2161.04 million and net cash outflow amounting to ₹5.89 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 the Companies (Auditor’s Report) Order, 2015 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors’ reports of the Holding company and Subsidiary company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - 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.
 - 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.
 - 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.

- 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.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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:
 - 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.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - 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 : New Delhi
Date : 25th May, 2015

Membership No. 018525

Annexure to the Auditors' report

(Referred to in our report of even date)

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

b. The Group 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 Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Group is primarily engaged in rendering software development and support services. Accordingly it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) The Group has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) (a) and (b) of the Order is not applicable.

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

(v) The Group has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the activities of the Group.

(vii) a. The Group is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, 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 CIT(A)-VI Chennai.
Income Tax Act, 1961	Income tax dues	5,186,058	Nil	Financial year 2009-10	Appeal filed before the CIT(A)-VI 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	6,403,866	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.

- c. In our opinion and according to the information and explanation given to us, the amount required to be transferred to Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, has been transferred to such fund within time.

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

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

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Group for loans taken by others from Banks are not prejudicial to the interest of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans availed by the Group have been applied for the purpose for which they were obtained.

(xii) According to the information and explanations given to us, no fraud on or by the Group has been noticed or reported during the course of our audit.
- For Suri & Co.
Chartered Accountants
Firm Registration No. 0042835

S. Ganesan
Partner
Place : New Delhi
Date : 25th May, 2015
Membership No. 018525

Consolidated Balance Sheet as at 31 March 2015

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

	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	103.60	102.35
(b) Reserves and Surplus	3	1,003.33	936.70
(2) Minority Interest		19.12	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	296.49	272.96
(b) Long-Term Provisions	5	11.85	10.03
(4) Current Liabilities			
(a) Short-Term Borrowings	6	125.64	48.29
(b) Trade Payables		280.02	251.46
(c) Other Current Liabilities	7	247.60	216.97
(d) Short-Term Provisions	8	73.51	62.89
		2,161.16	1,901.65
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	14.63	16.72
(ii) Intangible Assets	10	1,209.72	1,080.95
(b) Deferred Tax Assets (Net)	11	17.50	14.37
(c) Long term Loans and Advances	12	16.30	9.73
(2) Current Assets			
(a) Current Investments	13	-	13.59
(b) Trade Receivables	14	544.13	492.10
(c) Cash and Bank Balances	15	152.78	91.95
(d) Short-Term Loans and Advances	16	168.91	171.18
(e) Other Current Assets	17	37.19	11.06
		2,161.16	1,901.65
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
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015
Place: New Delhi

Consolidated Statement of Profit and Loss for the year ended 31 March 2015

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

	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
I. Revenue from Operations			
Sale of services		2,314.00	2,243.70
II. Other Income	18	21.22	10.82
III. Total Revenue (I+II)		2,335.22	2,254.52
EXPENSES			
Employee benefits expense	19	966.95	954.41
Finance Costs	20	42.08	39.71
Depreciation and amortization expense		12.96	16.31
Other expenses	21	1,086.21	1,054.62
IV. Total Expenses		2,108.20	2,065.05
V. Profit before exceptional and extraordinary items		227.02	189.47
VI. Exceptional Items		-	-
VII. Profit before extraordinary items		227.02	189.47
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT)		227.02	189.47
X. Tax Expense:			
(a) Current Tax		56.04	40.52
(b) Deferred Tax		(2.75)	(0.46)
XI. Profit/ (loss) for the period [Profit After Tax (PAT)]		173.73	149.41
XII. Minority Interest		6.68	-
XIII. Net Profit		167.05	149.41
XII. Earnings per equity share of ₹10 each (in ₹)			
(1) Basic		17.12	15.54
(2) Diluted		15.96	14.62

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
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015
Place: New Delhi

Consolidated Cash Flow Statement for the year ended 31 March 2015

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

	Year ended March 31, 2015	Year ended March 31, 2014
A CASH FLOWS FROM OPERATING ACITIVITIES		
Profit after tax	167.05	149.41
Adjustments for:		
Tax expense for the year	53.29	40.06
Depreciation and amortisation	12.96	16.31
(Profit) / Loss on sale of fixed assets, net	(0.27)	(0.35)
Dividend income	(0.66)	(1.08)
Profit on redemption of investments	(4.64)	-
Interest and finance charges	42.07	39.71
Operating Profit before working capital changes	269.80	244.06
(Increase) / decrease in sundry debtors	(52.02)	(1.18)
(Increase) / decrease in other current assets, loans and advances	(61.93)	(65.17)
Increase / (decrease) in current liabilities and provisions	68.55	116.44
Increase / (decrease) in Minority interest	19.12	-
Cash generated from operations	243.52	294.15
Taxes paid, net	(24.92)	(30.33)
Net cash flow from operating activities	218.60	263.82
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5.32)	(8.15)
Sale of fixed assets	0.27	0.35
Purchase of mutual fund units	(136.61)	(7.94)
Sale of Mutual Fund units	150.20	2.80
Dividend Income Received	0.66	1.08
Profit on redemption of investments	4.64	-
(Increase) / Decrease on account of goodwill on consolidation	(193.73)	1.14
Exchange Difference on Translation of Foreign Currency	58.92	(191.14)
Net cash flow from Investing activities	(120.97)	(201.86)

Consolidated Cash Flow Statement for the year ended 31 March 2015

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

	Year ended March 31, 2015	Year ended March 31, 2014
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayment) from borrowings	100.89	(170.49)
Interest and finance charges paid	(42.07)	(39.71)
Proceeds from allotment of shares	5.53	3.10
Dividend and dividend tax paid	(28.26)	(23.75)
Surplus on account of amalgamation	-	2.93
Net cash flow from Financing activities	36.09	(227.92)
D EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	(72.89)	165.68
Net (Decrease)/ Increase of cash and cash equivalents (A+B+C+D)	60.83	(0.28)
Cash and cash equivalents at the beginning of the year	91.95	92.23
Cash and cash equivalents at the end of the year	152.78	91.95

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
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015
Place: New Delhi

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

I. Background

Saksoft Limited ('Saksoft' or 'the Company') is an Information technology Company that provides Business Intelligence & 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:		
Electronic Data Professionals Inc	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%
ThreeSixtyLogica 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-I: Significant accounting policies

a. Basis of preparation of financial statements

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

The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies 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 and Three Sixty Logica Testing Services Pvt Ltd., and its subsidiary, Saksoft FR SARL have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group. The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made are recognized in the financial statements as goodwill / capital reserve. The Group tests for impairment of goodwill at each balance sheet date. When the company identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Profit and Loss Account.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note-I: Significant accounting policies (Continued)

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

c. Use of estimates

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

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

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

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

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

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

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

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

e. Intangible assets and amortization

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

f. Leases

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

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

g. Impairment of assets

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note-I: Significant accounting policies (Continued)

h. Investments

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

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

i. Foreign currency transactions

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

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

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

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

Interest income is recognized on the time proportionate method.

k. Employee benefits

Provident Fund

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

Gratuity

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

Compensated Absences

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year and leave is not allowed to be encashed. At the end of the financial year, the Company accounts for the remaining short term compensated absences.

l. Taxation

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note-I: Significant accounting policies (Continued)

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 2015

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

	As at March 31, 2015	As at March 31, 2014
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:		
10,360,000 Equity Shares of ₹10 each	103.60	102.35
Total	103.60	102.35
(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	10,235,000	10,165,000
Add: Shares allotted to employees pursuant to ESOP 2009	125,000	70,000
Outstanding as at the end of the year	10,360,000	10,235,000

(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, 2015		As at March 31, 2014	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	3,673,070	35.45%	3,673,070	35.89%
2	Sak Industries Private Limited	3,000,000	28.96%	3,000,000	29.31%
3	Saksoft Employees Welfare Trust	554,960	5.36%	554,960	5.42%
	Total	7,228,030	69.77%	7,228,030	70.62%

(E) Shares reserved for issue under options and contracts [Refer Note - 23(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	250,000 Options (PY: 305,000 Options)	Employees	ESOP 2009

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 3: Reserves and Surplus		
(A) Capital Redemption Reserve		
Opening balance	0.21	-
Add: Amount transferred from transferor company pursuant to scheme of amalgamation	-	0.21
Closing balance	0.21	0.21
(B) Securities Premium Reserve		
Opening balance	80.46	74.48
Add: Additions during the year		
- On issue of Shares	4.28	2.40
- Amount transferred from transferor company pursuant to scheme of amalgamation	-	3.58
Closing balance	84.74	80.46
(C) Other Reserves:		
(i) General Reserve		
Opening Balance	40.72	36.10
Add: Additions during the year		
- Amount transferred from Surplus in Statement of Profit and Loss	5.72	5.48
- Amount transferred from transferor company pursuant to scheme of amalgamation	-	0.50
Less : Difference in book value of investment in transferor company adjusted pursuant to scheme of amalgamation	-	(1.36)
Closing Balance	46.44	40.72
(ii) Foreign currency translation reserve	66.11	139.00
(D) Surplus in Statement of Profit and Loss		
Opening balance	676.31	560.64
Less: Adjustment for carrying amount of assets as required by Schedule II of Companies Act 2013 (Refer Note no. 22 i.)	(0.49)	
Add: Additions during the year		
- Profit for the year	167.05	149.41
- Surplus transferred from transferor company pursuant to scheme of amalgamation	-	22.10
Less : Difference in book value of investment in transferor company adjusted pursuant to scheme of amalgamation	-	(22.10)
Total	842.87	710.05
Appropriations :		
- Transfer to General Reserve	5.72	5.48
- Proposed Dividend -	25.90	25.83
Amount per Share ₹2.50 (Previous year - ₹2.50 per Share)		
- Tax on proposed Dividend	5.42	2.43
Total	37.04	33.74
Net Surplus in Statement of Profit and Loss	805.83	676.31
	1,003.33	936.70

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 4: Long Term Borrowings		
(A) Term Loans		
From Banks - Secured		
Secured by hypothecation of vehicle purchased	-	0.16
Repayment Terms:		
Principal amount repayable as per the EMI		
Schedule given by the bank with an interest rate of 10.50%		
Period and amount of continuing default: NIL		
From Banks - Secured	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 12 equal Quarterly installments commencing from March 2016		
Rate of interest : 11.25%		
Period and amount of continuing default: NIL		
(B) Loans and Advances from Related Parties		
Unsecured		
(i) From Sak Industries Private Limited	185.00	220.00
Repayment Terms:		
The Loan is repayable in full by 9th September 2016.		
Period and amount of continuing default: NIL		
(ii) From Sak Industries Pte. Limited	-	51.84
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	1.49	0.96
	296.49	272.96

Note 5: Long Term Provisions

Provision for Gratuity	8.40	4.79
Rent Straight lining	3.45	5.24
	11.85	10.03

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 6: Short Term Borrowings		
Loans Repayable On Demand		
From Banks - Secured	0.58	48.29
"Secured by first charge on the current assets and unencumbered movable fixed assets of the company , and personal gurantee of the Managing Director ."		
Period and amount of default : NIL		
From Banks - Secured	125.06	-
Guarantee given by Holding company.		
Period and amount of default : NIL		
	125.64	48.29

Note 7: Other Current Liabilities

Current maturities of long term loans	10.16	0.90
Current maturities of finance lease obligations	1.25	0.80
Interest accrued but not due on borrowings	0.35	0.66
Income received in advance	193.48	184.60
Unpaid Dividend	0.23	0.25
Other payables:		
Service tax	8.41	6.42
Tax deducted at source	17.32	13.24
Provident Fund	2.14	2.02
Others *	14.26	8.08
	247.60	216.97

* 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 ThreeSixtyLogica Testing Services Private Limited pursuant to share purchase agreement.

Note 8: Short Term Provisions

Employee benefits	40.39	34.02
Rent Straight lining	1.80	0.61
Provision for proposed dividend (including dividend distribution tax)	31.32	28.26
	73.51	62.89

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

(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, 2014	Translation/ Consolidation adjustment	Additions during the year	Deductions during the year	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
1. Plant & Machinery								
- General Plant and Machinery								
- Owned	10.36	-	-	-	10.36	9.87	0.15	0.49
2. Furniture & Fittings								
- General Furniture and Fittings	60.09	(2.60)	0.37	1.32	56.54	59.78	1.58	0.31
3. Motor Vehicles								
- Owned	3.48	-	0.12	0.09	3.51	1.32	1.58	2.16
- Leased	4.19	-	2.29	1.71	4.77	2.51	2.49	1.68
4. Electrical Installations and Equipment								
- Owned	7.02	-	-	-	7.02	7.02	-	-
5. Computers and data processing units								
- Owned	85.23	0.34	0.99	-	86.56	77.22	4.48	8.01
6. Office equipments								
- Owned	37.53	2.02	1.53	-	41.08	33.46	4.35	4.07
Total	207.90	(0.24)	5.30	3.12	209.84	191.18	14.63	16.72
Previous year	187.55	15.78	6.64	2.07	207.90	167.68	16.72	

* - 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, 2014	Translation/ Consolidation adjustment	Additions during the year	Deductions during the year	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
1. Goodwill								
- Goodwill on consolidation	1,076.36	(64.89)	193.73	-	1,205.20	-	1,205.20	1,076.36
- Acquired Goodwill	4.03	0.18	-	-	4.21	4.21	-	-
2. Computer software								
- Acquired	25.10	4.68	0.02	-	29.80	20.51	4.52	4.59
3. Intellectual property rights								
- Acquired	4.50	-	-	-	4.50	4.50	-	-
Total	1,109.99	(60.03)	193.75	-	1,243.71	29.04	1,209.72	1,080.95
Previous year	926.47	195.15	1.51	13.14	1,109.99	30.51	1,080.95	

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 11: Deferred Tax Assets (Net)		
Arising from timing difference in respect of:		
Fixed Assets	10.57	9.94
Retirement Benefits	5.19	2.44
Other tax disallowances	1.74	1.99
	17.50	14.37

Note 12: Long Term Loans and Advances

(A) Security Deposits		
(i) Unsecured, Considered good	16.03	9.46
(B) Related Party		
Unsecured, Considered good		
Sak employees welfare trust and gratuity trust	0.27	0.27
	16.30	9.73

Particulars	As at March 31, 2015		As at March 31, 2014	
	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	8,440	8.45
Additions during the year	1,353,832	136.61	7,929	7.94
Deletions during the year	(1,367,405)	(150.20)	(2,796)	(2.80)
Total	-	-	13,573	13.59
Aggregate fair value of unquoted investments				
Current year (31 March 2015)		Nil		
Previous year (31 March 2014)		13.60		

Particulars	As at March 31, 2015	As at March 31, 2014
Note 14: Trade Receivables		
(A) Debts Outstanding for a period exceeding six months		
(i) Unsecured, Considered good	37.44	30.12
(ii) Doubtful	2.17	2.41
Less: Allowance for bad and doubtful debts	(2.17)	(2.41)
	37.44	30.12
(B) Others		
(i) Unsecured, Considered good	506.69	461.98
	506.69	461.98
	544.13	492.10

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Note 15: Cash and Bank Balances		
(A) Balance with Banks		
(i) Balance in Current account	137.53	91.47
(ii) In Deposit accounts		
- With Maturity within 12 months	-	0.04
- With Maturity after 12 months	0.20	0.16
(iii) In Deposit accounts with Bank		
- Held as Security against Guarantee given	14.44	-
(iv) Unpaid dividend accounts	0.23	0.25
(B) Cash on hand	0.38	0.03
	152.78	91.95

Note 16: Short Terms Loans and Advances

Loans and Advances to Others		
Unsecured, Considered good		
Tax payment pending adjustments (Net)	3.69	9.60
Prepaid Expenses	159.30	150.95
Employee Advances	2.41	3.46
Advance to suppliers	3.51	2.91
Advance towards share capital of Saksoft Fr.	-	4.26
	168.91	171.18

Note 17: Other Current Assets

Interest accrued but not due on fixed deposits	0.33	0.04
Unbilled Revenue	36.86	11.02
	37.19	11.06

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Note 18: Other Income		
(A) Income from investments		
Dividends	0.66	1.08
	0.66	1.08
(B) Others		
Exchange Fluctuation (Net)	-	1.60
Interest income	0.88	0.25
Creditors no longer payable written back	1.67	5.07
Bad debts Recovered	0.64	-
Profit on Sale of Assets	0.27	0.35
Profit on Sale/ Redemption of investments	4.64	0.81
Rebate received	7.54	
Miscellaneous Receipts	4.92	1.66
	20.56	9.74
	21.22	10.82

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Note 19: Employee Benefits Expense		
Salaries and wages	932.24	926.66
Contribution to Provident and other funds	21.19	18.64
Staff Welfare Expenses	13.52	9.11
	966.95	954.41

Note 20: Finance Costs

Interest Expense	31.55	36.94
Other borrowing cost	10.53	2.77
	42.08	39.71

Note 21: Other Expenses

Education and Support costs	695.12	794.01
License costs	171.49	52.79
Exchange Fluctuation (Net)	3.56	-
Rent	48.13	45.05
CSR Expenditure	1.20	-
Travel and conveyance	68.58	73.20
Insurance	16.13	19.59
Rates and Taxes	7.95	7.07
Power and Fuel	12.54	13.52
Repairs to Buildings	9.24	8.86
Repairs to Plant	2.98	3.15
Communication Expenses	12.88	12.84
Audit fee	5.51	4.27
Legal, Professional and consultancy charges	13.19	4.35
Advertisement, Publicity and Sale Promotion	8.45	4.13
Miscellaneous expenses	9.26	11.79
	1,086.21	1,054.62

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

(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, 2015	As at March 31, 2014
1. Income-tax matters	36.15	27.97
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, 2015	As at March 31, 2014
Future obligations for assets taken on lease		
Not later than 1 year	1.67	1.07
Later than 1 year but not later than 5 years	1.65	1.12
	3.32	2.19
Less: Amounts representing future interest		
Not later than 1 year	0.42	0.27
Later than 1 year but not later than 5 years	0.16	0.17
	0.58	0.44
Present value of minimum lease rentals		
Not later than 1 year	1.25	0.80
Later than 1 year but not later than 5 years	1.49	0.95
	2.74	1.75

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 and Investments Private Limited.
Sak Industries Pte Ltd

Key management personnel

Mr Aditya Krishna – Managing Director
Mr Niraj Kumar Ganeriwala- Chief Financial Officer
Mr Narayan S- Company Secretary (Resigned on 4th Nov 2014)
Mr Vivekanandan Babu-Company Secretary

Relatives of Key Managerial Personnel

Ms Kanika Krishna - Director
Ms Avantika Krishna- Employee

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note 22: Additional notes (Continued)

Transactions entered during the year

Description	Year ended March 31, 2015	Year ended March 31, 2014
Rent Expense		
Sak Industries Private Limited	6.84	6.84
Dividend paid		
Sak Industries Private Limited	7.50	6.00
Managing Director	9.18	7.35
Interest on loan		
Sak Industries Private Limited	21.42	23.91
Sak Industries Pte Limited	0.38	5.82
Asset Purchase		
Sak Industries Private Limited	-	0.33
Borrowings / (Repayments), net		
Sak Industries Pte Ltd	(51.84)	(151.50)
Sak Industries Private Limited	(35.00)	(30.00)
Reimbursement of expenses		
Sak Abrasives Limited	-	0.93
Sak Industries Pvt Ltd	0.87	-
Remuneration		
Managing Director	3.00	3.00
Chief Financial Officer	3.49	3.23
Company Secretary	0.96	0.85
Employee remuneration	0.61	-
Director Commission	-	-
Sitting Fees-Director	0.06	-
Shares allotted under ESOP (2009 scheme)		
Chief Financial Officer	40,000	20,000

Year end balances

Description	Year ended March 31, 2015	Year ended March 31, 2014
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	220.00
Sak Industries Pte Ltd	-	51.84

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note 22: Additional notes (Continued)

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, 2015	Year ended March 31, 2014
Revenue		
India	213.52	130.57
UK	1,096.79	1,151.94
USA	912.91	874.13
Singapore	90.78	87.06
	2,314.00	2,243.70

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, 2015	Year ended March 31, 2014
Change in Defined Benefit Obligation		
Opening defined benefit obligation	9.57	10.25
Consolidation adjustment	2.09	-
Current service cost	3.23	2.49
Interest cost	1.32	0.97
Actuarial losses/ (gain)	0.43	(1.94)
Past service cost	-	-
Benefits paid	(1.23)	(2.20)
Closing defined benefit obligation	15.41	9.57
Change in fair value of assets		
Opening fair value of plan assets	4.78	3.53
Pursuant to scheme of amalgamation	-	0.22
Expected return on plan assets	0.42	0.34
Actuarial gain/ (losses)	(0.04)	(0.10)
Contribution by Employers	3.30	3.00
Withdrawn by Employer	(0.22)	-
Benefits paid	(1.23)	(2.21)
Closing fair value of plan assets	7.01	4.78
Liability recognised in the balance sheet	8.40	4.79
Expense recognized in the profit and loss account		
Current service cost	3.23	2.49
Interest cost on defined benefit obligation	1.32	0.97
Expected return on plan assets	(0.42)	(0.34)
Net Actuarial losses / (gains) recognised in a year	0.47	(1.83)
Part service cost	-	-
Net gratuity cost	4.60	1.29
Actual return on plan assets	0.38	0.24
Assumptions		
Discount rate	8.00%	9.35%
Expected rate of return on assets	7.50%	7.50%
Salary escalation	7%	7%

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note 22: Additional notes (Continued)

e. Gratuity (Continued)

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

Experience Adjustments

Particulars	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Defined Benefit Obligation	9.51	9.83	10.25	9.57	15.41
Plan Assets	2.16	2.60	3.53	4.78	7.01
Surplus/(Deficit)	(7.35)	(7.22)	(6.72)	(4.79)	(8.40)
Exp.Adj.on Plan Liabilities	(1.54)	(1.34)	(2.28)	(0.83)	(1.93)
Exp.Adj.on Plan Assets	(0.31)	(0.06)	(0.16)	(0.10)	(0.04)

f. Employee Stock option plans ('ESOP')

ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan issued in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is administered by the Saksoft Employees Welfare Trust ('the Trust') through the compensation committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company has allotted 582,460 equity shares of ₹10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 27,500 options under this Plan and accordingly, 554,960 equity shares of ₹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, 2015	Year ended March 31, 2014
Options outstanding at the beginning of the year	200,000	200,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options forfeited during the year	-	-
Options lapsed during the year	(100,000)	-
Options outstanding at the end of the year	100,000	200,000

ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan issued in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 received the consent of the shareholders in December 2009. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years.

The plan considers an aggregate of 1,000,000 options to be vested 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 2015 is 2,50,000 options.

During the year the Board of Directors have allotted 125,000 equity shares consequent to the exercise of options by certain eligible employees of the Company who were granted options on 3rd December 2010 at grant price of ₹44.25 per option under ESOP 2009 plan. Subsequent to the exercise, the listing and trading approval was obtained from National Stock Exchange on 24th July 2014 for 95,000

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note 22: Additional notes (Continued)

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

shares and 24th December 2014 for 30,000 shares. The paid up share capital of the Company after allotment of 125,000 equity shares stands at 10,360,000 Equity Shares as of 31st March 2015.

Apart from the above allotment, during the year the Nomination and Remuneration Committee has granted to eligible employees of Saksoft Limited & Subsidiary, 50,000 options on 8th July 2014 at a grant price of ₹93 /- and 100,000 options on 26th September 2014 at a grant price of ₹138.70/-.

The details of the ESOP 2009 Plan are:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Options outstanding at the beginning of the year	305,000	375,000
Options granted during the year	150,000	50,000
Options exercised during the year	(125,000)	(70,000)
Options forfeited during the year	-	-
Options lapsed during the year	(80,000)	(50,000)
Options outstanding at the end of the year	250,000	305,000

g. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Earnings		
Net profit for the year	167.05	149.41
Shares		
Equity shares as at the balance sheet date	10,360,000	10,235,000
Less: Shares held by Saksoft employees welfare trust	554,960	554,960
Total number of equity shares the end of the year – Basic	9,805,040	9,680,040
Weighted average number of equity shares outstanding as at the end of the year – Basic	9,757,588	9,613,876
Diluted Shares		
Weighted average number of equity shares outstanding as at the end of the year:	9,757,588	9,613,876
Add: Shares held by Saksoft employees welfare trust	554,960	554,960
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	151,872	49,522
Weighted average number of equity shares outstanding during the year – Diluted	10,464,420	10,218,358
Earnings per share of par value ₹10 – Basic (₹)	17.12	15.54
Earnings per share of par value ₹10 – Diluted (₹)	15.96	14.62

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 31.03.2015. There are no overdue principle amounts and therefore no interest is paid or payable.

- i. The company has adopted useful lives of fixed assets in line with the Companies Act 2013 with effect from 1st April 2014 for providing depreciation. In respect of the consolidated results, depreciation for the year ended is higher by ₹0.77 million respectively with consequential effect on profit before tax by this amount. The amount of depreciation charged to retained earnings is ₹0.49 million

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2015

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

Note 22: Additional notes (Continued)

- j. Three Sixty Logica Testing Services Private Limited is a subsidiary of the Company from 31st December, 2014 and is from then a Public Limited Company as per Section 2(71) of the Companies Act 2013. Consequently the provisions of Section 197 of the Act are applicable to the Company and the remuneration paid to its Directors after becoming a subsidiary of the Company i.e after 31st December, 2014 is in excess of the limits specified under Section 197 of the Companies Act 2013 by ₹2.10 millions. The subsidiary company has made an application to the Central Government for approval.

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

Particulars	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
I	2	3	4	5
Parent: Saksoft Limited	51%	562.91	34%	57.23
Subsidiaries				
Indian				
I. ThreeSixtyLogica Testing Services Pvt Ltd and its subsidiary	1%	13.63	4%	6.96
Foreign				
I. Saksoft Inc and its subsidiary	9%	99.23	18%	30.9
2. Saksoft Pte	3%	34.35	9%	15.84
3. Saksoft GmbH		0	0%	0
4. Saksoft Solutions Ltd and its subsidiaries	36%	396.81	34%	56.12
5. Saksoft FR SARL	0%	0	0%	0
Minority Interest in all Subsidiaries				
I. ThreeSixtyLogica Testing Services Pvt Ltd and its subsidiary	-	19.12	-	6.68

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

As per our report attached

For and on behalf of the Board of Directors

For **Suri & Co**
Chartered Accountants
Firm Registration No: 0042835

Aditya Krishna
Managing Director

R.Rajagopalan
Director

S. Ganesan
Partner
Membership No: 018525

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

Date: May 25, 2015

Place: New Delhi

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

Part-A: Subsidiaries

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	Three Sixty 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
3	Reporting Currency and exchange rate as on the last date of the relevant Financial year	USD , Ex Rate 62.53/USD	SGD, Ex Rate 45.5/SGD	Euros, Ex Rate 67.85 /Euro	GBP, Ex Rate 92.76/GBP	Euros, Ex Rate 67.85 /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	50000 equity shares of Euros 1 each fully paid up	INR 434.45m-5001000 equity shares of GBP 1 each fully paid up: INR 123.97-1426000 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	99.23	34.35	0	400.31	0	38.91
6	Total Assets	390.54	57.97	0	1344.82	4.26	100.68
7	Total Liabilities	282.07	4.45	0	386.08	0	61.67
8	Investments	0	0		0	0	0
9	Turnover	912.91	90.78	0	1096.79	0	60.55*
10	Profit Before Taxation	51.54	16.45	0	56.14	0	20.36*
11	Provision for Taxation	20.64	0.6	0	0	0	6.72*
12	Profit After Taxation	30.91	15.85	0	56.14	0	13.64*
13	Proposed Dividend	0	0	0	0	0	0
14	% 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
Managing Director

R.Rajagopalan
Director

Date: May 25 , 2015
Place: New Delhi

Niraj Kumar Ganeriwal
Chief Financial Officer

B.Vivekanandan
Company Secretary

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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 Sixteenth Annual General Meeting (AGM) of the members of the Company will be held on Thursday, the 10th day of September, 2015 at 10.30 A.M at PObul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2015 together with the reports of the Board of Directors ("the Board") and Auditors thereon; and the audited consolidated financial statements of the Company for the year ended March 31, 2015.
2. To declare a dividend of ₹2.50 per equity share for the financial years 2014-15
3. To appoint a Director in the place of Ms. Kanika Krishna (DIN 06954593), who retires by rotation, and being eligible, offers herself for re-appointment.
4. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“**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. 0042835), 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, 2016 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. Re-appointment of Mr.Aditya Krishna, as Managing Director:

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

“**RESOLVED THAT** subject to the provisions contained in Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the Members be and is hereby accorded for the appointment of Mr. Arundhan Krishna as Managing Director (DIN : 00031345) of the Company, for a further period of 5 years with effect from 01st April, 2016 to 31st March, 2021 on the terms and conditions including remuneration, perquisites and benefits as set out below:

Details of terms of remuneration: The Basic salary is ₹7,00,000/- per month.

Perquisites and allowances:

In addition to salary, the Managing Director shall be entitled to the following perquisites/benefits, which shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

Perquisites include the following:

- A. Rent free residential accommodation or house rent allowance in lieu thereof.
- B. Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
- C. Contribution to Provident Fund as per the rules of the Company.
- D. Club fees for two-clubs excluding admission and life membership fees.
- E. Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
- F. Company maintained car with Driver.
- G. Telephone facility at residence."

“RESOLVED FURTHER THAT Members of the Nomination and Remuneration Committee be and are hereby severally authorized to sign and execute an agreement with Mr. Aditya Krishna, Managing director on behalf of the Company and to alter and vary the terms and conditions of the said Appointment and/ or Agreement in such manner as it may deem fit and as may be agreed between the Board of Directors and Mr. Aditya Krishna.”

“RESOLVED FURTHER THAT where in any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to him by way of salary, perquisites & allowances as noted above shall be paid as minimum remuneration for a period not exceeding 3 years, subject to the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as maybe prescribed by the Government from time to time and applicable to the Company.”

“RESOLVED FURTHER THAT, subject to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company be and are hereby severally authorized to make such other modifications, alterations, variations in the terms and conditions relating to remuneration of the Managing Director in terms of Schedule V and other applicable provisions of the Companies Act, 2013, at their own discretion from time to time.”

“RESOLVED FURTHER THAT, wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.”

6. Commission to non-executive Directors

To consider and if though fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed among the directors of the Company or some or any of them (other than the managing director and the whole time directors) in such amounts or proportion and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for each year commencing from April 01, 2015.”

7. Related Party Transactions with Sak Industries Private Limited

To consider and if though fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT Pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Clause 49(VII) of the Equity Listing Agreement, and subject to such other approvals, consents, permissions, sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to enter into transactions/contracts/arrangements with Sak Industries Private Limited, a ‘related party’ as defined in Clause 49(VII)(B) to obtain loans and/or guarantees or security from Sak Industries Private Limited and to take on lease any immovable property owned by Sak Industries Private Limited on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with Sak Industries Private Limited and remaining outstanding at any one point in time shall not exceed ₹1500 Million during any one financial year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

BY ORDER OF THE BOARD OF DIRECTORS
FOR SAKSOFT LIMITED

Vivekanandan Babu
Company Secretary

Date: 04th August, 2015
Place : Chennai

Saksoft Limited
CIN: L72200TN1999PLC054429
SP Infocity, Block A, 2nd Floor,
40, Dr. M.G.R. Salai, Kadanchavadi
Perungudi, Chennai – 600 096.
Phone: +91-44-2454 3500
Fax: +91-44-2454 3510
Email: complianceofficer@saksoft.co.in
Web: www.saksoft.com

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 annexed with this notice. “Annexure 1”
2. Pursuant to Clause 49 of the Listing Agreement, the brief resume/details of the Directors being appointed, re-appointed are annexed hereto. “Annexure 2”
3. **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. 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. PROXY FORM SUBMITTED ON BEHALF OF THE COMPANIES, SOCITIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
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.
5. Members/Proxies/authorized representatives should bring the duly filled Attendance slip enclosed herewith to attend the meeting.
6. **Voting through electronic means**
 - 6.1 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 Clause 35B of the Listing Agreement, 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).

- 6.2 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.
- 6.3 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.
- 6.4 The remote e-voting period commences on 07th September, 2015 (9:00 am) and ends on 09th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 03rd September, 2015, 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.
- 6.5 **The cut off date is 03rd September 2015, 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.**

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

- A. 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
- B. 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.
- 6.6 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.
- 6.7 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.
- 6.8 You 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).
- 6.9 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 03rd September, 2015.
- 6.10 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. 03rd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@cameoindia.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password 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.

- 6.11 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
- 6.12 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.
- 6.13 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.
- 6.14 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.
- 6.15 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, not later than three days of the conclusion of the AGM, 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.
- 6.16 The Results declared alongwith 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. The results shall also be immediately forwarded to the Stock exchanges where the Company is listed.
- 6.17 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.

- 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 04th September, 2015 to 10th September 2015 (both days inclusive).
- 8. The final dividend of ₹2.50/- per share has been recommended by the Board of Directors for the year ended 31st March 2015, and if, approved by the shareholders at the meeting, will be payable to those members whose names appear in the Register of Members as on 10th September, 2015. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners as on 03rd September, 2015.
- 9. 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.
- 10. Members are request 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
- 11. 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.
- 12. In terms of Section 124 (erstwhile Section 205C of the Companies Act, 1956) of Companies Act, 2013 the dividends declared by the Company, which remain unclaimed for a period of 7 years will be transferred on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Consequent to such transfer, Member(s) would not be able to claim any amount of dividend so transferred to the IEPF. Member(s) who have not yet encashed their dividend warrant(s) is /are requested, in their own interest, to immediately write to the Company's Share transfer Agent for Claiming their outstanding dividend, declared by the Company. 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 the Company's Share transfer Agent.

- 13. 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 / Share transfer Agent.
- 14. 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 the Company/ Share transfer Agent.
- 15. 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.
- 16. 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 its Share transfer Agent. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
- 17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s Cameo Corporate Services Limited for consolidation into a single folio.
- 18. 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, 2015 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to complianceofficer@saksoft.co.in / investor@cameoindia.com. Accordingly, the Company shall update its database by incorporating/ updating the designated e-mail addresses in its records. Please note that the said documents will also be uploaded on the website of the Company at www.saksoft.com and made available for inspection at the Registered Office of the Company during business hours of the Company.

19. For members who have not registered their email addresses, Physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
20. Guidelines for attending the Sixteenth 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 Sixteenth 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.
21. All documents as mentioned in the resolutions and/or

Explanatory Statement 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 Sixteenth AGM.

22. 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.

23. 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.

24. The Certificate from Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, is available for inspection by the Members at the venue of the Sixteenth AGM and also at the Registered Office of the Company from 10.00 AM to 12.00 noon on any working day.

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

“Annexure I”

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item No. 5 to 7.

Item No. 5

Re-appointment of Mr. Aditya Krishna as Managing Director

Mr. Aditya Krishna, the founder promoter and the Managing Director of Saksoft Limited has been instrumental in driving the business development efforts of the Group with over 28 years of his experience in the banking and financial services industry. He has contributed significantly to the growth of the company in every year of its operation and under his able leadership Saksoft today has grown into a multi- faceted conglomerate with an excellent reputation for software development and testing services across industry verticals. In view of his valuable contribution and his profound knowledge of the industry and business acumen, the Board considers it desirable in the interest of the company to reap the benefit of his leadership for its continued growth in future and has approved his reappointment for a further period of five years, subject to the approval of the shareholders in the Annual General Meeting on the following terms of remuneration. Currently Mr. Aditya Krishna is the only Whole time Director of the Company.

Details of terms of remuneration:

The Basic salary is ₹7,00,000/- per month.

Perquisites and allowances:

In addition to salary, the Managing Director shall be entitled to the following perquisites/benefits, which shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

Perquisites include the following:

- A. Rent free residential accommodation or house rent allowance in lieu thereof.
- B. Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
- C. Contribution to Provident Fund as per the rules of the Company.
- D. Club fees for two-clubs excluding admission and life membership fees.
- E. Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
- F. Company maintained car with Driver.

- G. Telephone facility at residence.

Minimum remuneration:

Notwithstanding anything contained above, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or the profits are inadequate, the company shall pay the aforesaid remuneration as minimum remuneration subject to all statutory approvals as may be required from time to time.

Sitting Fees:

He shall not be paid any sitting fees for attending the meeting of the Board of Directors or any committee thereof from the date of his appointment.

STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO REAPPOINTMENT OF Mr. ADITYA KRISHNA AS MANAGING DIRECTOR

I. General Information:

- (1) Nature of industry:

The Company is in the operations of Information Technology services. The Company is a leading provider of Information Management Solutions to successful companies around the world. We deliver success to the enterprise by helping consolidate, organize and manage large volumes of data collected by businesses. Working with data sources that are often disparate and complex, we make accurate, high quality, relevant information readily available to the people that need it. By being better informed, these companies are empowered to make key decisions and implement strategies for making their enterprises successful. Visit www.saksoft.com.
- (2) Date or expected date of commencement of commercial production: Not Applicable as the Company is already in Operations.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(4) Financial performance based on given indicators:

(₹ in Millions)

Particulars	For the year ended 31st March, 2015 (Audited)	For the year ended 31st March, 2014 (Audited)	For the year ended 31st March, 2013 (Audited)	For the year ended 31st March, 2012 (Audited)
Total Income	480.32	458.76	428.21	429.96
Profit before Tax	82.56	77.53	40.57	52.53
Profit after tax	57.22	54.79	28.16	34.80



- (5) Foreign investments or collaborations, if any.
The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31st March, 2015, a FII holds 54,000 shares, i.e. 0.52% of the total paid up share capital of the Company

II. Information about the appointee:

(1) Background details

Mr. Aditya Krishna, the Founder and the Managing Director of the Saksoft Group, spearheads Saksoft's growth across domains and geographies. He brings with him over 28 years of experience in the banking and financial services industry. After a long career with Chase Manhattan Bank in New York and later with Citi bank, New York, he relocated to India in 1990, as part of a four-member team to establish Citi bank's Credit Card business in the country. Aditya was instrumental in developing City Bank's in-house software to run their credit card operations.

(2) Past remuneration (₹ in Million)

Particulars	For FY 2014-15	For FY 2013-14	For FY 2012-13	For FY 2011-12
Salary Per Annum	3.00	3.00	3.00	3.00

- (3) Recognition or awards: Mr. Aditya Krishna has completed the owner President Management programme of the Harvard Business School.
- (4) Job profile and his suitability: He is responsible for overall strategy and day to day management under the supervision and control of the Board of Directors of the Company
- (5) Remuneration proposed
The remuneration paid/proposed to be paid during the tenure of his directorship is detailed in resolution No. 5 of this Notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of Mr. Aditya Krishna.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Aditya Krishna is a promoter holding 3,673,070 Shares in the Company. He has provided the personal guarantee for the term loan and other working capital facilities availed by the Company from banks. He is also a Director and Shareholder in Sak Industries Pvt. Limited, a company in the promoter group.

III. Other information:

- (1) Reason of loss or inadequate profits:
The Company is in a growth stage and revenues are increasing gradually. The company is also investing in the resources and technology to enable the growth in revenues for the coming years. This is having an impact on the profitability.
- (2) Steps taken or proposed to be taken for improvements:
The Leadership team is more focused on increasing the market. The executive team of the Company are devoted to developing

customer relationship for gaining more business from them. The Company has implemented cost control measures to ensure effectiveness and efficiency of costs incurred. Foreign exchange risks are also being mitigated through forward cover and hedging techniques.

- (3) Expected increase in productivity and profits in measurable terms:
In view of the above mentioned steps being taken by the Company, the productivity is expected to increase and consequently the profits are also expected to increase in measurable terms.

IV. Disclosures

The details of remunerations and other information is given in the resolution and Corporate Governance report forming part of the annual report 2014-15.

Memorandum of Interest:

Mr. Aditya Krishna being a director of the Company is interested in his re-appointment as Managing Director.

Ms. Kanika Krishna, Director being the daughter of Mr. Aditya Krishna may be deemed to be interested in his re-appointment as Managing Director.

No other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the re-appointment of Mr. Aditya Krishna as Managing Director.

The Board recommends the resolution set forth in item no. 5 for the approval of the members.

The Agreement entered with the Managing Director is available for inspection and such documents shall be so made available for inspection in physical or in electronic form during specified business hours at the Registered office of the Company and copies thereof shall also be available for inspection in physical or electronic form at the meeting venue.



Item no. 6

The Shareholders of the Company at the 13th AGM held on 06th August, 2012 have by a Special resolution approved the payment of remuneration of by way of commission to non-executive directors, such remuneration not to exceed 1% of the net profits of the Company for each year for a period of five years commencing from April 01, 2013 to March 31, 2018.

Although the approval is valid until March 31, 2018, the resolution proposed to seek approval of members in accordance with Section 197 of the Companies Act, 2013 in order to continue payment of commission to non-executive directors. The Board of Directors will determine each year the specific amount to be paid as commission to the non-executive directors, which shall not exceed 1% of the net profits of the Company for that year; as computed in the manner referred to in Section 198 of the Act.

The payment of commission would be in addition to the sitting fees payable for attending meetings of the Board and committees thereof, if any.

All non-executive directors of the Company may be deemed interested in the resolution to the extent of Commission payable to them in accordance with the proposed resolution. Except the non-executive directors, none of the other directors or Key Managerial Personnel, or their relatives of the Company is concerned or interested in this resolution.

Name of related party	Name of the Directors who are related	Nature of relationship	% holding of shares in Saksoft Limited	Transaction	Purpose	Basis of charging	Whether in Ordinary course of Business and Arm's Length Transaction	Existing transactions	Remarks	Approval required for the Maximum amount of
Sak Industries Pvt Ltd	Mr Aditya Krishna (Promoter holding 35.45% in Saksoft Limited) and Ms Kanika Krishna (Relative of Promoter holding no shares in Saksoft Limited)	Sak Industries Pvt Ltd is one of the Promoters' group company	Sak Industries Pvt Ltd holds 28.96% in Saksoft Limited	Loan	Operations and Inorganic growth	Market rates	Yes	₹ 185 million outstanding loan as approved by the Board of Directors from time to time	The proposed limit will be within the borrowing limit under section 180(1) (c) of the Companies Act, 2013 i.e. Not exceeding ₹5000 million as approved at the AGM hld on 26th September 2014	₹ 1500 million
				Lease	Lease rent	Market rates	Yes	Noida Delivery Centre of the Company is situated in the Commercial Premise, Sector 80, Phase II, Noida (U.P.)- 201305 owned by Sak Industries Pvt Ltd	None specific	

The Board recommends the resolution set forth in item no. 6 for the approval of the Members.

Item no. 7

Pursuant to the requirements of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the revised Clause 49 (VII) of the equity Listing Agreement which is applicable effective October 1, 2014, the Securities and Exchange Board of India (SEBI) has prescribed that all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the members of a public listed company through a special resolution and the related parties shall abstain from voting on such resolution.

"Material Related Party Transaction" under the above said Clause means any transaction to be entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of your Company for the financial year 2014-15 was ₹2335.26 Million. Accordingly, any transaction(s) by your Company with a related party (except with its wholly owned subsidiaries) exceeding ₹233.53 Million (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members is required for the same.



The above transactions, which are enabling in nature, have received prior approval of the Audit Committee and the Board of Directors of your Company at their meetings in terms of the requirements of revised Clause 49 (VII).

The Board recommends Resolutions set forth in Item No. 7 for the approval of the members.

Except Mr.Aditya Krishna, Managing Director and Ms. Kanika Krishna, Director, none of the other Directors/Key Managerial Personnel of the Company/their relatives is concerned or interested, financially or otherwise, in the Special Resolutions set out at Item No 7 of the Notice.

“Annexure 2”

In terms of clause 49 of the Listing Agreement with Stock Exchanges, a brief resume of the directors who are proposed to be appointed/ reappointed at this AGM are given below:

Ms. Kanika Krishna
DIN No: 06954593

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. 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.

Mr. Aditya Krishna
DIN: 00031345

Mr. Aditya Krishna, the Founder and the Managing Director of the Saksoft Group, spearheads Saksoft 's growth across domains and geographies. He brings with him over 28 years of experience in the banking and financial services industry. After a long career with Chase Manhattan Bank in New York and later with Citibank, New York, he relocated to India in 1990, as part of a four-member team to establish Citibank's Credit Card business in the country. Mr. Aditya

was instrumental in developing Citibank's in-house software to run their credit card operations.

Mr. Aditya Krishna is the Promoter of the Company and holds 3,673,070 shares (35.45%) in the Company.

BY ORDER OF THE BOARD OF DIRECTORS
FOR SAKSOFT LIMITED

Vivekanandan Babu
Company Secretary

Date: 04th August, 2015
Place : Chennai

Saksoft Limited
CIN: L72200TN1999PLC054429
SP Infocity, Block A, 2nd Floor,
40, Dr. M.G.R. Salai, Kadanchavadi
Perungudi, Chennai – 600 096.
Phone: +91-44-2454 3500
Fax: +91-44-2454 3510
Email: complianceofficer@saksoft.co.in
Web: www.saksoft.com



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

16th Annual General Meeting to be held on 10th September, 2015 at 10:30 A.M.

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 16th Annual General Meeting (AGM) of the Company on Thursday, 10th September, 2015, at 10:30 A.M P.Obul Reddy Hall,Vani Mahal, 103, G.N. Chetty Road,T.Nagar, Chennai – 600 017.

[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.



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 **Thursday, the 10th September, 2015 at 10:30 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.	To reappoint Mr.Aditya Krishna as Managing Director		
6.	To approve commission to non-executive Directors.		
7.	To approve Related party Transactions with Sak Industries Private Limited		

Signed this _____ day of _____ 2015.

Signature of shareholder(s)

Re. I
Revenue
stamp

Signature of Proxy holder(s)

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

